REPORT

ON THE

NEGOCIATION,

BETWEEN THE

HONORABLE EAST-INDIA COMPANY

AND

THE PUBLIC,

RESPECTING THE

RENEWAL OF THE

COMPANY'S EXCLUSIVE PRIVILEGES OF TRADE,

FOR

TWENTY YEARS FROM MARCH, 1794.

By JOHN BRUCE, Esq. M. P. F. R. S.
HISTORIOGRAPHER TO THE HON. EAST-INDIA COMPANY.

London:

PRINTED BY AUTHORITY OF THE HONORABLE COURT OF DIRECTORS,

By Cox, Son, and Baylis, Great Queen Street,

AND PUBLISHED BY BLACK, PARRY AND KINGSBURY, BOOKSELLERS TO THE HONORABLE EAST-INDIA COMPANY, LEADENHALL STREET.

1811.

DS465
B7

HENRY MORSE STEPHENS

PREFACE.

While Government and the East-India Company were collecting the information required to prepare the Legislature for examining the subject of Indian Affairs, previously to the Renewal of the Exclusive Privileges of the Company, in 1793, it was considered, that if a general History of the Rights and Commerce of the East-India Company could have been prepared, and placed before the Public, it would have obviated many of the objections, which were becoming the subjects of Resolutions, by the different Mercantile and Manufacturing Bodies in the kingdom.

In making this attempt, it was soon discovered, that a general History of East-India Affairs would

require

require a minute examination of the Company's records, from their Establishment by Queen Elizabeth; and that the only printed authorities which could be relied on, were the Collections of their Charters, and of their Treaties with the Native Powers, the successive Acts of Parliament, since the Union of the London and English Companies, and the Reports made by Parliament on Indian Affairs.

Under these circumstances, as the principal difficulties regarded the territorial possessions, and the system of trade, recourse was had to the Plans, suggested by the most eminent, and best informed of the Company's servants, who had either acquired, or governed, the territorial possessions, or had conducted the trade; but, on comparing these Plans, it was discovered that they disagreed with each other, both in principle and in practice.—It was with the object of comparing these Plans, and deducing principles from the facts admitted in all of them, that, in 1793, I compiled the "Historical View of Plans for the Government of British India, and Regulation of the Trade to the East-Indies," which, having met the

views

views of Government, and of the Company, at that time, was printed by direction of the Board of Commissioners for the Affairs of India.

Though I could not have expected to have again been able to contribute my assistance to the Honorable East-India Company, on a similar occasion, it necessarily occurred, that an authenticated statement of the diversified objections to the Government and Trade of the East-India Company; first while opinions were fluctuating on these subjects, and next when they came under the deliberations of the Courts of Directors and Proprietors, and, from them, for the decision of Parliament, would prevent the recurrence of similar speculations, and might afford precedents to which both the East-India Company, and the Legislature might refer. With these views the following Report is submitted to the Public.

Part I. will afford evidence to ascertain the state of the Public Opinion, on the important subjects of East-India Government and Trade, and of the manner in which both were investigated, preparatory to the discussions and decision of Parliament; and

Part

Part II. will furnish information, on the measures adopted by the Company, and by Government, at the period when the Act passed, for renewing the East-India Company's exclusive Privileges of Trade, for twenty years, or, to March 1814.

PART I.

RETROSPECT OF THE OPINIONS OF THE PUBLIC, BEFORE THE OPENING OF THE NEGOCIATION, BETWEEN GOVERNMENT AND THE EAST-INDIA COMPANY, FOR A RENEWAL OF THE COMPANY'S EXCLUSIVE PRIVILEGES OF TRADE, IN 1793.

CONTENTS.

PART I. Contents.

General aspect of the claims of the East-India Company in 1793. ...... *General aspect of the claims of the Commercial and Manufacturing Interests in* 1793...... *Subjects on which the public opinion fluctuated, respecting Indian Affairs:......—on the Foreign and Domestic Government required for the British Possessions in the East-Indies:......—on the Rights of the Public and of the Company:......—on the method of realizing the Revenues of India in Britain:......—on the comparative advantages of an open and of a regulated trade to the East-Indies...... Actual measures of the Company, and proposed measures of the Claimants, respecting the Commerce*

and

PART I. Contents.

and Government...... Arrangement of the claims on the East-India trade, and of the answers of the Company.

First class of Opponents to the Company, or those who recommended an immediate Open Trade, or the continuance of the Exclusive Privilege till the scheme of an Open Trade could be partially tried...... Propositions of this description, by the Merchants of Liverpool:......—by the Chamber of Commerce at Glasgow:......—by the Manufacturers of Paisley:......—by the Merchants and Manufacturers of Manchester:......—by the Merchants of Exeter...... These last propositions resisted by different Towns in Devonshire:......—and by the Dyers and Dressers of Woollens in London...... Propositions by the Manufacturers of Norwich...... General result of the arguments of the Claimants...... Effect of them on the public opinion...... Conduct of Government respecting them...... Answers made by the Company: ......—to the propositions for an Open Trade to the East-Indies: ......—to the principles from which the system of an Open Trade was deduced:......—to the complaints against the Company, for not trading to all the countries within their limits...... Observations of the Directors upon the probable claims of Ireland for a participation in the East-India trade...... Comparison of the probable competition between the proposed Irish and Foreign Companies, and between both and the English East-India Company...... Result of the reasonings on these subjects on the conduct of the Irish and British Nations.

Second

Second class of Opponents to the Company, or those who were either for participating in the Trade, without being sharers in the Stock, or for laying the Company under certain restrictions. . . . . . General objects of this class of Opponents. . . . . . Scheme of the Separate Traders, without being sharers in the Company's Stock. . . . . . Scheme of the Private Traders, for placing the Company under certain restrictions in their imports, exports, &c. . . . . . Both schemes repugnant to the experience of the Company, and of the State. . . . . . Arrangement of these claims by the objects of each. . . . . . Claims of the Manufacturers of British Staples at Exeter. . . . . . Answers of the Devonshire Towns, &c. to this Demand. . . . . . . Limited requisition from Norwich. . . . . . Demands of the Proprietors of the Mines in Cornwall: . . . . . . —of the British Manufacturers of Eastern Raw Materials: . . . . . . —of Glasgow: . . . . . . —of Paisley: . . . . . . —of Manchester: . . . . . . —of the Manufacturers who work on materials, partly Asiatic and partly European: . . . . . . —of the Manufacturers of Gunpowder. . . . . . Separate claim of the Adventurers in the Southern Whale Fishery. . . . . . General opinions offered, at the time, on the whole of these claims. . . . . . General arguments on the claims of the Merchants of Exeter: . . . . . . —on those of the Proprietors of the Mines in Cornwall: . . . . . . —on those of the Manufacturers of Cotton: . . . . . . —on those of the Manufacturers of Gunpowder: . . . . . . —on those of the Southern Whale Fishery. . . . . . Particular arguments on each of these claims: . . . . . . —on the claims of the Exeter Merchants:

 . . . . . . —on

PART I. Contents.

......—on those of the Proprietors of the Mines in Cornwall:......—on those of the Cotton Manufacturers of Manchester, Glasgow, &c. ...... General arguments of the Wholesale Dealers in India Piece Goods...... General arguments of the Committee of Warehouses, in answer to the claim of the Manufacturers of Gunpowder...... General reference to the subsequent Negociation.

PART II.

REPORT ON THE NEGOCIATION, BETWEEN THE PUBLIC AND THE HONORABLE EAST-INDIA COMPANY, FOR THE RENEWAL OF THE COMPANY'S EXCLUSIVE PRIVILEGES OF TRADE, FOR TWENTY YEARS, FROM MARCH 1794; AND OUTLINE OF THE EXISTING SYSTEM OF INDIAN AFFAIRS, AS ESTABLISHED AT THAT PERIOD.

CONTENTS.

PART II. Contents.

Difficulties in devising a system of Government and of Trade for British India. .... Preliminary information afforded by the Directors of the East-India Company: ......—by the Commissioners for the Affairs of India. ..... Conduct of His Majesty's Ministers, on opening the Negociation with the Company...... The Directors refer the business to their Committee of Correspondence. .... Hints offered by the Committee of Correspondence, as the basis of the Negociation. ..... The President of the Board of Commissioners observations upon these hints.

PART II. Contents.

hints. . . . . . Reply of the Committee of Correspondence to the observations of the President of the Board of Commissioners. . . . . . Their opinions on the conditions required for the Company, in the event of territorial acquisitions from the Chinese. . . . . . Substance of the opinions of the Court of Proprietors on these subjects. . . . . . Petition of the Company to Parliament for a renewal of their Exclusive Privileges of Trade. . . . . . Conference, between His Majesty's Ministers and the Committee of Correspondence, on this subject. . . . . . Opinions of this Committee on this occasion. . . . . . Conference, between His Majesty's Ministers and the Committee of Correspondence, on the subject of Clandestine Trade, &c.. . . . . . Opinions of the Court of Proprietors on this subject: . . . . . . —on the Separate Fund. . . . . Opinion of the Committee of Correspondence on the subject of Private Trade: . . . . . . —on the Rate of Freight: . . . . . . —on the Shipping Interest. . . . . . Claims of the Manufacturing and Mercantile Bodies: . . . . . . Demands of the Proprietors of the Mines in Cornwall, and opinion of His Majesty's Ministers on them: . . . . . . —of the Exeter Merchants, and opinion of His Majesty's Ministers on them: . . . . . . —of the Southern Whalers, and opinion of His Majesty's Ministers on them. . . . . . Demands of the Cotton Manufacturers, and conduct of His Majesty's Ministers respecting them. . . . . . . Opinion of the President of the Board of Commissioners on the Clandestine Trade, as connected with these claims. . . . . . Manner in which the Committee of Correspondence arranged their answers for the

consideration

consideration of the Courts of Directors and Proprietors...... Observations of the Committee on the subject of Shipping...... Postpone an answer to the Proprietors of Mines in Cornwall...... Observations of the Committee on the demands of the Exeter Merchants:......—on the Southern Whale Fishery:......—on the claims of the Manafacturers of Manchester aud Glasgow:......—on the Clandestine Trade....... Propositions in the Memorial of the persons interested in the Clandestine Trade...... Answers of the Committee of Correspondence to these propositions:......—additional observations on the subject submitted by the Committee to Government...... Reply of the Memorialists to the answers and observations of the Committee of Correspondence...... Result of these arguments, and effect of them on the public opinion, respecting the Renewal of the Company's Exclusive Privileges...... Opportunities afforded by His Majesty's Ministers to all the Claimants to bring forward the fullest evidence...... Critical state of the Negociation at this period...... The Committee of Correspondence require that the Resolutions to be submitted to the Legislature should be laid before a General Court:......—this requisition granted, and explanations of different points in the Resolutions given by the President of the Board of Commissioners...... The Committee of Correspondence request a farther delay...... Substance of the Resolutions proposed to be submitted to Parliament, as first laid before the Court of Proprietors...... Proceedings of the Court of Proprietors

PART II. Contents.

tors on the 27th March 1793 :......—*on the* 3*d April* 1793...... *Recapitulation of the proceedings of the Court of Directors*...... *Report of the Committee of Correspondence on the Resolutions transmitted by the President of the Board of Commissioners, for the consideration of the Proprietors*...... *Motion made in the Court of Proprietors in consequence of this Report*...... *Opinions of the Proprietors upon the Resolutions and Report*...... *Subjects which principally attracted the attention of the Proprietors*...... *Farther Conferences between His Majesty's Ministers and the Directors*....—*Answer of the President of the Board of Commissioners to the Report of the Committee of Correspondence*...... *Report of the Committee of Correspondence on this explanation*...... *Recapitulation of the evidence, as it came before the Court of Proprietors, for their assent to the Treaty with the Public.* ...... *Opinions of the Court of Directors, as submitted to the judgment of the Court of Proprietors.* .... *Substance of the preliminary arguments of the Proprietors, for and against an immediate adoption of the motion for concluding the Negociation;—particular subjects, upon which the opinions of the General Court seemed to be at variance* :...... —*on the term to be given to the Company under the new Act* :......—*on the Importation and Sale of Piece Goods* :......—*on the Participation of the Surplus Revenue with the Public* :......—*on the Guarantee Fund* :......—*on the Establishment of Agents in India for the Private Traders*...... *The Directors empowered by the Pro-*

prietors

prietors to accede to the terms proposed by Government for the Renewal of the Company's Exclusive Privileges ...... Substance of the Speech of the President of the Board of Commissioners, on opening the business in the House of Commons. ..... Objections offered to the proposed system. ...... Answers made to these objections. ..... Conduct of the Court of Directors in this stage of the business. ..... Progress of the Committee of the whole House, on the clauses of the Bill for the Government and Trade of India. ..... On the Indian Annuity Bill. ..... Abridged view of the objections made to the Government and Trade Bill. ..... Answers offered to these objections. ..... Proceedings of the Court of Proprietors on the 12*th May* 1793. ..... *Farther proceedings of the Court of Proprietors on the* 15*th May* 1793. ..... *Indian Annuity Bill passed the Commons. ..... Farther progress of the Government and Trade Bill in the Committee of the Whole House. ..... Proceedings of the Court of Proprietors on this occasion. ..... The Government and Trade Bill brought forward to a third reading. ..... Substance of the Debate on this occasion. ..... Bill passed the House of Commons, and carried to the Lords. ..... Bill passed the House of Lords, and received the Royal Assent.* PART II. Contents.

*Digest of the existing system of Indian Affairs, in the order of the subject:—*1. *The Agreement between the Legislature and the Company:* ......—2. *Plan of Domestic Government:—the branch vested in the Courts of Directors and Proprietors:—the branch vested in the Commis-*

C *sioners*

sioners for the Affairs of India:......—3. Plan of Foreign Government:—the Judicial Power, as amended or left open for the farther deliberation of Parliament:—the Financial Power continued in India, as exercised before the passing of the Act, but varied in the appropriations abroad and at home:—the Military Power left for future arrangement:......—4. The System of Trade detailed:—the Indian Annuity Act an appendage to that on Government and Trade.

APPENDIX.

No. I.—*Resolutions of the Merchants, Tradesmen, and Inhabitants of the Town of* LIVERPOOL, *on the subject of the Trade of the East-India Company.*

No. II.—*Resolutions of the Directors of the Chamber of Commerce and Manufactures at* GLASGOW, *on the subject of the Trade of the East-India Company.*

No. III.—*Resolutions of the Manufacturers at* PAISLEY, *on the subject of the Trade of the East-India Company.*

No. IV.—*Proceedings of the Merchants and Manufacturers at* MANCHESTER, *on the subject of the Trade of the East-India Company.*

No. V.—*Proceedings of the Merchants of* EXETER, *on the subject of the Trade of the East-India Company.*

No. VI.—*Memorial of the Merchants and Manufacturers of* NORWICH, *to the Right Honourable the Lords of Privy Council for Plantations and Trade.*

PART I.

RETROSPECT OF THE OPINIONS OF THE PUBLIC, BEFORE THE OPENING OF THE NEGOCIATION, BETWEEN GOVERNMENT AND THE EAST-INDIA COMPANY, FOR A RENEWAL OF THE COMPANY'S EXCLUSIVE PRIVILEGES OF TRADE, IN 1793.

PART I.

General aspect of the claims of the East-India Company, in 1793.

UNDER a Sovereignty, constituted like that of Great-Britain, a subject of such magnitude as the Government of the Asiatic Provinces, and the regulation of the Trade to the East-Indies, necessarily called forth the general attention of the Nation, at the period (1793) when the East-India Company's Privileges were to become the subject of deliberation, and of decision by the Legislature.

The East-India Company had been estalished for almost two centuries; they had acted under the protection of the Crown, and with the sanction of the Legislature, and were possessed of the greatest commercial capital, which had, as yet, appeared in any country:—with transactions which were more

properly

properly those of the Nation, than of the East-India Proprietors, and with dispositions to act upon liberal political and commercial principles, they looked forward to the issue with confidence in their claims; relied on the wisdom and protection of the Legislature; and, at this juncture, resolved to assert those claims with moderation and firmness, but were prepared to meet those of their opponents, with candor, and with justice.

General aspect of the claims of the Commercial and Manufacturing Interests in 1793.

Several of the mercantile and manufacturing bodies in Britain, under impressions unfavorable to the East-India Company's exclusive privileges of trade, had been anticipating prospects of gain, from an open trade to the East-Indies: Taking up, therefore, the popular arguments against monopolies, in general, and placing the Company's exclusive privileges for a regulated trade, under this denomination, they asserted, that the advantages which would result to the Nation, from a system of open trade, in preference to the regulated commerce of the East-India Company, would be infinite;—that however great the trade of the Company had been, that greatness was merely comparative with the efforts of the other European Companies, in their trade to the East-Indies;—that, considering the improved state of British arts and manufactures, and the immense credit of British merchants, the East-Indies opened a wide field, in which the activity of private merchants might collect incalculable riches, and the Public be enabled to draw revenues, progressively and indefinitely great;—that if the trade should be laid

open,

open, the adventurous spirit of the Nation would meet, and overcome, every difficulty;—that exclusive privileges, though they might be necessary, or useful, at the commencement of distant commercial enterprizes, were destructive of trade, in its improved and extensive scale; and that it would be not more for the interest of the individual merchant, than of the Nation, to open the East-India trade to all the subjects of the realm.

Subjects on which the Public opinion fluctuated, respecting Indian Affairs:

In this situation, and with these prejudices against the East-India Company, the question opened to the Public, in 1793, when the expiration of their exclusive privileges of trade approached; and upon no occasion, perhaps, have men's minds been less prepared for decision, on a subject of such magnitude and importance.

It will be a necessary preliminary, in collecting the real state of Indian affairs, at this juncture, to examine the particular points upon which the opinions of the Public fluctuated, *viz.*

1. *The Foreign and Domestic Government required for the British Possessions in India.*

2. *The Rights of the East-India Company, and of the Public, to the British Indian Territories.*

3. *The practical method of realizing the Indian Revenues in Britain; and*

4. *The comparative advantages of an open and regulated trade, as subservient to the general commercial and financial prosperity of the Nation.*

1. On

PART I.

— on the Foreign and Domestic Government required for the British Possessions in the East-Indies.

1. On the subject of *the Foreign and Domestic Government required for the British Possessions in India*, it was, on the one hand, asserted, that the Sovereignty of the British Indian Provinces should be assumed by the King, as a right of conquest, acquired by the Company's troops for the Nation, and that the administration should be intrusted to the Ministers of the Crown, who were responsible to Parliament;—that all orders which regard the political, financial, judicial, and military powers, in India, should issue from the King;—and that the Company's territorial possessions in India, should be governed on the same principles, and in the same manner, as the other foreign dependencies of the Crown.

It was contended, on the other hand;—that this project would give an unconstitutional weight to the Crown, and might become a dangerous instrument in the hands of Ministers, for biassing the other branches of the Legislature;—that, even supposing this difficulty to be removed, the measure would be inconsistent with the manner in which the Indian Provinces had been connected with Britain by trade;—that the seats of the Company's trade had been acquired by purchase, or by authorized Treaties, and had become their absolute property;—that the revenue must pass home, through their regulated trade; and, therefore, that it was not less repugnant to the tenures by which the Company had acquired, and had held, the various portions of their possessions, than an injudicious application of European political maxims to countries, not more remote from

from Britain, in situation, than dissimilar in the usages of the people; to whom such an alteration would be unintelligible.

The opinions, respecting the Domestic Government of our British Indian interests, were not less at variance with each other, than those respecting the Foreign Government. It was said, by one party, that the administration of extensive provinces, and the direction of the political, financial, and military powers exercised in them, by a Company of Merchants, constituted like the East-India Company, was a political absurdity, and that it was not possible the Directors could be judges of the interests of the Nation, in any of those points;—on the contrary, that they would warp the whole with their individual interests and commercial schemes, and, therefore, that the continuance of the Indian Provinces, under the management of the Company, would be dangerous, even if under the control of the Executive Government, but inconsistent, if left to the Directors, because they could not possess the energy required in the administration of an Empire.

It was said, by the other party, that the Company had originally purchased the seats of their trade, under the public authority;—that they had paid valuable considerations for them to the Native Powers, in the several forms of Price, Presents, and Tributes;—that they had acquired their territorial possessions, by armies, which they were empowered to levy, embody, and entertain; and that the commerce, which, alone, made the revenue valuable to the Public, had arisen from their

stock

PART I.

stock and credit;—that they had derived their knowledge of the political relations in India, of the revenues in the different Provinces, of the force required to maintain the influence of Britain over the Natives, and of balancing the power of the Indian Princes and States, from the local observations of their civil and military servants, and from that long experience, which best qualifies for a wise administration;—that the supposed paradox, of Merchants governing an Empire, was contradicted by the fact; and was removed, by looking at the events which had attended the acquisition and preservation of our Indian Possessions;—that the Company's covenanted servants, bred up to observe the habits of the Natives, and instructed in their languages and interests, were best qualified to carry on the subordinate duties of government, or to rise, at the different Presidencies, to Seats in the Councils, or to become Governors and Commanders of their armies;—that all that consistency required had been provided for, by the situation in which the Directors had been placed, with respect to the King's Government and Parliament; and, therefore, that the permanency of the trade could, alone, rest on the credit, and on the experience of the Company, connected with the State.

These general topics influenced, more or less, the opinions of the Public, and the feelings of individuals, in proportion as either had time, or capacity, to examine the subject, or were affected by the political opinions of the parties which had

contended

contended, at the period (1784), when a system for Indian Affairs had been devised and established by the Legislature.

The party which favored the plan, rejected by Parliament, in 1783, and who, without being Proprietors of India Stock, projected the substituting themselves as Managers of a great territorial and commercial concern, in which they had political, but not individual, interests or risks to meet, were for vesting the government in other hands than the Proprietors of East-India Stock, and leaving to the Company their commerce only, but placing even that in subordination to their political views.

The party which favored the plan adopted in 1784, were for continuing the existing system of Indian Affairs, with certain modifications; or giving to the King, by means of the Board of Commissioners for the Affairs of India, connected with the Court of Directors, a control over the administration of the political, financial, judicial, and military branches, but leaving the commerce to the Company, whose stock had created, and whose experience, and sense of interest, qualified them to preserve it.

— on the Rights of the Public, and of the Company.

2. As the subject began to unfold itself more to notice, the second question appeared, or "*What were the Rights of the* "*Public, and of the Company, to the British Possessions in* "*India?* and, on this subject, opinions were as much at variance with each other, as those on the Government, which have been detailed.

The reasonings of one party were general, and rested on the principle, that whatever territories the subjects of this

PART I.

realm acquire, by conquest, or by treaty, become the patrimony of the Public; and it was inferred, that though the East-India Company had a right to retain their corporate capacity, and the liberty of trading on a Joint Stock, the Legislature might assume the territories, and administer them in the manner its wisdom might deem most expedient and beneficial to the Realm: hence, that the Indian Provinces might be made, like colonies, dependencies of the Crown; and the revenues, after defraying the charges of management, become one of the resources of the State.

The reasonings of the other party were particular and specific, and arose out of the History of the East-India Company, in its connexion with the Legislature, for almost a century. They admitted, that territories acquired by subjects, either by conquest, or by treaty, belong to the Public; but argued, that this principle did not apply to the case. They referred to the original Charter of Queen Elizabeth, which had constituted the East-India Company a Body Corporate, with perpetual succession; and to the successive grants of the Crown. They referred to the Act of Parliament, constituting the English East-India Company, in 1698, at a time when the powers of the Crown, to confer such privileges, were questioned; and to the Award of Lord Godolphin, in 1707, which completed the Union between the London and English East-India Companies. They referred, also, to the following Acts of Parliament, which had established and confirmed the rights and privileges

PART I.

Privileges of the East-India Company ;—to the Act, 10th Queen Anne, Cap. 28, which, for the encouragement of the Company to proceed in making lasting settlements in the East-Indies, repealed the Proviso in the Act, 6th of Queen Anne, Cap. 17, by which their corporate capacity was, on repayment of their capital stock, to cease and determine, on three years' notice, after the 25th March 1726, and which prolonged their term of exclusive Privileges to three years after the 25th March 1733 ;—to the Act, 3d George II. Cap. 14, which removed all doubts, respecting the continuance of the corporate capacity of the East-India Company, after repayment of their capital stock, and expressly enacted, that, notwithstanding such repayment or redemption, the East-India Company should continue to be a Body Politic and Corporate, with perpetual succession, and be entitled to trade to the East-Indies, on a Joint Stock, and to enjoy all benefits, privileges, and rights, founded either on Charters or Acts of Parliament, and which, for the consideration of £200,000 paid by the Company, prolonged their term of exclusive privileges, till three years after the 25th March 1766 ;—to the Act, 17th George II. Cap. 17, by which, in consideration of £1,000,000 advanced to the Public, at three per cent., their exclusive term was prolonged, till three years after the 25th March 1780, and their perpetual right of trade to the East-Indies on a Joint Stock, in their corporate capacity, confirmed;

 —to

PART I. —to the Act, 7th George III. Cap. 57, by which the territories, acquisitions, and revenues, lately obtained in the East-Indies, were to remain in possession of the Company, for two years, on condition of their paying £400,000 per annum;—to the 9th George III. Cap. 24, by which these acquisitions and revenues were to continue in the Company, for a farther term of five years, on their paying the sum of £400,000 per annum, during that period;—to the Act, 13th George III. Cap. 64, by which it was agreed, that the Public should forego any participation in those revenues and acquisitions, till the revenue debts, due by the Company, to His Majesty, should be paid, and their bond debt reduced to a specified sum;—to the Act, 19th George III. Cap. 61, by which the territorial acquisitions were to remain to the Company, till the 5th April 1780, and an express clause introduced, that nothing in this Act should affect the rights of the Crown, or of the Company, after the expiration of this Act;—to the Act, 20th George III. Cap. 56, by which those territorial acquisitions were to remain to the Company for another year, or till the 5th April 1781, with a similar clause of reservation of rights; and to the Act, 21st George III. Cap. 65, by which, in consideration of the sum of £400,000 paid by the Company to the Public, their exclusive privileges were continued to them till three years after the 1st March 1791, their corporate capacity confirmed, with liberty to trade to India, on a Joint Stock, after that term, and the territories, revenues, and acquisitions in India, to remain to them during the term of their exclusive

privileges,

privileges, and all the rights and privileges of the Company, which were not altered or varied, were to remain to them, in as ample manner, as though the Act had never been made :—And, from these public documents, they inferred, that the following rights were *perpetual*; the right to be a Body Corporate and Politic, with succession; the right to purchase, acquire, and dispose of property in Great-Britain ; the right to make settlements, to any extent, within the limits of their exclusive trade ; to build forts, appoint governors, erect courts of judicature, coin money, raise, train, muster, and entertain forces, at sea and land, repel wrongs and injuries, and to make reprisals on the invaders or disturbers of the peace ; and, in general, the right to continue to trade, within their limits, upon a Joint Stock, for ever, although the exclusive privileges of trade, might cease, or determine : that, besides, the Company's perpetual rights extended to all the sea-ports and places of trade in the East-Indies, acquired either by grants from the Native States or Chiefs of India, or held by agreement, for a full and valuable consideration paid to the Public ; and that these rights had been ratified and established by the successive Acts of Parliament which have been enumerated ; and, therefore, concluded, that if the exclusive privileges should cease, no private British or foreign merchant could enter the Company's ports, or seats of trade, for traffic, without their permission ;—that the Legislature had not, at any time, exerted its authority to deprive any Corporate Body of such a right ;—that this principle, which guided private

as

as well as public justice, was inherent in the Constitution, and, on no occasion, could be departed from;—that, in the case of the East-India Company, of all others, the deviation would be the most dangerous, considering the magnitude of their stock, the state of their debts and credits, the value of the trade, and the expences which had been incurred, in bringing this trade to its present magnitude;—and, that it would be almost impracticable for the Public to give a compensation to the Company, for their Dead Stock, even supposing the urgency of the case admitted the receiving of it, because the value could not be calculated from the sums expended, but from the expected value which those sums would have brought to the Proprietors, if they had been employed in general trade.

—— on the method of realizing the Revenues of India, in Britain.

3. As the subject more fully opened, the third question "arose, or, *The practical method of realizing the Indian Revenues in Britain.*"

The speculators for an open trade, availing themselves of the magnitude and difficulty of a solution to this question, contended, that the revenues might be portioned out among their Agents, at the different Presidencies, and proper securities taken, for the amounts passing home with safety to the State, because they would come through the credit of British Merchants.

The East-India Company, on the other hand, without questioning the probity, or the credit of British merchants, in general, affirmed, that the amount which the nation derived,

annually,

annually, from their trade, in duties and customs, was considerable;—that, the risk would be great indeed, if this trade should be diverted from its present channel, into the traffic of individual merchants and Agents;—and that sums of such magnitude ought not to be hazarded, merely to make way for speculations, at all times doubtful, and sometimes destructive in their tendency.

As the Nation began to feel the force of this circumstance, and to think, that the good which it possessed was not to be relinquished for advantages, which it might be difficult to acquire, and still more difficult to preserve, opinions began to alter; for apprehensions were entertained, that if large and certain payments were lost, the effect on national credit, particularly in the event of war, and, amidst the delirium of political innovation, might be improvident and unwise.

— on the comparative advantages of an open and of a regulated trade to the East-Indies.

4. *The comparative advantages of an open, and of a regulated trade to the East-Indies,* became a fourth subject, which divided the opinions of the Public.

This subject, at first, seemed to resolve itself into the old dispute, respecting the expediency, or inexpediency of monopolies; or into the hypothesis respecting the advantages of a free, over an exclusive trade. As facts, in a great measure, were left out of view, in the arguments in favor of the free trade, and as opinions, even in this early stage of the negociation, seemed to preponderate against the Company, though only repetitions of those of the old Interlopers and Merchant Adventurers, they were

plausible,

PART I.

plausible, and addressed to the feelings of the Nation, because they promised to the Public an enlargement of British navigation and commerce.

In a short time, however, the subject took more fixed characters, and speculation began to give way to experience. It was observed, that the trade to the East-Indies required a large capital, and that the Company traded on such a capital;—that, instead of acting with the spirit of narrow monopolists, bringing what quantity of imports into the market they chose, and selling, (like the old Dutch Companies), such quantity only as suited their interests, the East-India Company were, in fact, the Agents of the British Nation, trading to Asia, under public regulations, and acting, as far as regarded the political, financial, and military branches of the Government, under the control of the Executive Power and of Parliament; and that every man, whether merchant or private individual, or even foreigners, might enter into this Association, by purchasing a share of the India Stock. These facts gave the question a new aspect:—it was not now, whether a monopoly, or an open trade, be preferable; but, whether a regulated trade, under the immediate management of the Company, and control of the Executive Power, responsible to Parliament, be safer than the open and unrestrained trade of individual Merchants, to a distant country, through whom proportions of the revenue were to pass to Britain?

The subject thus assumed its true character; and as the sums which the Public had drawn from the Company, began to be

be examined and understood, opinions rather leaned towards the opposite side, or in favor of the East-India Company.

Such were the topics upon which the public mind fluctuated, as the Parliamentary deliberations, on the subject of the Indian Affairs, approached.

Actual measures of the Company, and proposed measures of the Claimants, respecting the Commerce and Government.

The situation of the Company, on this occasion, though not new, was difficult:—the situation of the Claimants for a share in the Asiatic trade, was new, and, perhaps, more difficult, both from their ignorance of events, and from their prejudices against every proposition, that seemed to interrupt, or cut off, the prospects of gain, with which they had either been duping themselves, or others.

Both parties now began to address Government; the one claiming a renewal of their privileges, and ready to give such terms to the Public, as a knowledge of the value of the privileges they sought, authorized them to offer; the other asserting, that, as British subjects, they had a right to every encouragement to their ingenuity, industry, and spirit of enterprize; and that they only desired a new field for their exertions; and, in return, held out to the Public, a trade in prospect, which would enrich the adventurer, and increase the public revenues beyond all arithmetical progression. To yield, therefore, to the Company, Government were aware would appear as if they wished to check the commercial spirit of the Public:—to yield to the Claimants, would be to endanger not only a large commercial interest, but a certain and tried national resource.

 Under

PART I.

Under such circumstances, the difficulties which we have to contemplate, increased to all parties: to the Company; to the Claimants on its privileges; and to Government, arranging the demands of both, and preparing, not only the evidence adduced by each, but accompanying this evidence with propositions or resolutions, for the consideration of Parliament.

Arrangement of the Claims, on the East-India trade, and of the answers of the Company.

It will, therefore, be necessary to describe the separate classes of the Opponents of the East-India Company, by distinguishing them from each other, by their professed objects.

1. The first class of Opponents to the Company, were either those who were against the renewal of their exclusive privileges, and for opening the trade to India and to China, or to both, because this plan would increase the sales of their particular manufactures; or those, who were for continuing the privileges of the Company, for a short time, till the India and China trade could be diverted into a new channel.

2. The second class of Opponents to the Company were those, who were for participating in the benefits of the trade to the East-Indies, upon their own funds and risk, without being sharers in the Company's stock or expences; or if this could not be obtained, were for allowing the Company to retain their exclusive privileges, but placing their commerce under certain restraints, in exports, imports, rates of freight, and in home sales, &c.

For

For the purpose of ascertaining the objects of the first of these classes of Opponents, or those who were for opening the trade to the East-Indies, either immediately, or in a short time, we must advert to the principle which the whole of their observations, and of their arguments, tried to establish, *viz.* that the monopoly of the East-India Company, or their exclusive privilege of trade, ought to cease and determine; and, if this were done, they asserted, that the effect would be "an immense and boundless increase" of the trade, of the resources, and of the naval power of the Empire:—And here it became necessary to enquire, whether this plan of an open trade, recommended in the diversified resolutions and memorials, presented by mercantile and manufacturing bodies, rested on even probable evidence, or on estimates, or whether the whole originated in speculation only?

PART I.

First Class of Opponents to the Company, or those who recommended an immediate open trade; or the continuance of the exclusive privileges, till the scheme of an open trade could be tried.

The LIVERPOOL claim came first, in the order of time. In the preamble it stated, "that the Creator of the Universe "having endowed the different portions of the earth with "different products, has laid the foundations of commerce, the "object of which is, to supply the mutual wants of man;— "that all regulations for trade ought to spring from a mutual "sense of interest; and, therefore, that trade should be free "from every restraint."

Propositions, of this description, by Merchants of Liverpool.

Upon the basis of this general principle, the resolutions proceeded;—"that monopolies are destructive, because they "provide for the interest of the monopolist only, enable him,

PART I. "at his pleasure, to fix the rate at which he buys in one "country and sells in another;—that the History of the East-"India Company, if resorted to, will afford a striking proof "of the evil consequence of monopoly, since the injuries it "has produced, both to Britain and to India, are of the most "serious nature;—that the Company has changed its character "of merchants, for that of warriors and politicians, and as-"sumed the sovereignty of twenty millions of men;—that "instead of making trade its only object, it has maintained its "dominion by force, and with vast and extensive civil and "military establishments, supported by charges, which are to "be defrayed by the people of India or of Great Britain;—"that it is thence probable, as peace is the natural and inse-"parable attendant of commerce, and as the possession of "continental territories is valuable only, in so far as they are "productive of commercial intercourse, the system of a free "or an open trade would make desolating wars less frequent, "prevent the soil of India from being deluged with blood, and "stop the sacrifice of thousands of British subjects, and mil-"lions of British treasure."

The Mayor, Merchants, and Tradesmen of Liverpool, assuming these grounds, decided;—"that the monopoly of "the East-India Company prevents the exports of our manu-"factures to distant regions of the world, while an open trade "would encrease our exports, twenty-fold and upwards; and "that the present system shuts up a large portion of the earth,

"to

"to which our traffic might be carried." In proof of this assertion they stated;—"that the Directors have neglected to "trade to the Eastern Coast of Africa, to the Coasts of the "Gulfs of Arabia and Persia, and to the profusion of Islands "which are scattered throughout the Indian Ocean:—Farther, "the Company's monopoly (besides these evils), choaks the "infant manufactures of Britain, by raising the price of "them; it introduced the rival manufactures of India into "Britain itself, *viz.* porcelain and cotton stuffs; it is as injurious "to our navigation as to our commerce, for the Directors "sacrifice the interest of the Company, by giving overcharged "freights to large ships, to the detriment of ship-builders and "the training of mariners. The opinion," they add, "that "a great capital is necessary for this trade, is balanced by the "fact, that private merchants and companies could furnish "capitals sufficient for any trade. The intercourse of the "Americans with the East-Indies has shewn what can be "done, and if the evil be not remedied, the India trade will "find its way to Europe through foreign bottoms."

From these considerations, and many others, it was inferred, that a Petition should be presented to Parliament, praying to be heard, by counsel, against the renewal of the Company's exclusive privileges.[1]

The Chamber of Commerce and Manufacturers of GLASGOW, though they resolved to petition Parliament for liberty to be

By the Chamber of Commerce, at Glasgow.

(1) Appendix, No. I. page 1.

PART I. be heard against the renewal of the Company's privileges, yet did not launch so widely into the speculative principles of trade, or into reasonings upon those principles, as the Corporation of Liverpool had done:—" confiding," as they observed, " in the " wisdom of Parliament, which they feel will liberally indem- " nify the Company, in some shape or other, for the sacrifices " of any rights which they might make; and leaving it to the " same wisdom to decide, whether the territorial revenues " ought to remain with the Company, or not, they give it as " their opinion, that this, though granted, can be no good " reason for continuing with the Company an exclusive privilege " of trade, to the countries between the Cape of Good Hope " and Streights of Magellan. Whatever good causes might " have formerly existed, for continuing the Company's exclusive " privileges, those causes no longer operate, because the enter- " prize and capital of individuals, and of Companies of Mer- " chants, in Britain, are, at this time, sufficient for carrying " on trade to those distant regions. For the large capital of " the Company might still be employed, without its having " exclusive privileges; and if not so employed, the industry " of individuals will draw from the East a multitude of raw " materials, and other articles, now supplied us by the French, " Spanish, Dutch, and Portuguese nations. Liberal regula- " tions for the commerce might be laid down, which would " tend to encrease the Marine of Great Britain, and the revenues " to Government, and, therefore, (these claimants concluded)

" that

" that every argument, both in point of prudence and of sound " policy, is in favor of an open trade, and against the renewal " of the exclusive privileges of the East-India Company.[1]

The memorial of the Chairman of the Committee of this Chamber of Commerce, is more precise in its objects than the propositions had been :—It required certain privileges to the cotton trade of that populous city, and its environs, and to the cotton manufacturers in general.

This branch of the subject will be considered under the head of regulations demanded for the Company's trade (supposing their exclusive privilege to be continued). It is sufficient, in this place, to advert to the propositions which the memorial offered, on the subject of an open trade in preference to the Company's exclusive privileges.

It merits notice, on this claim, that if the propositions on the subject of an open trade should not be listened to, the Chamber were determined to oppose the renewal of the Company's privileges altogether, " however anxious they were to " avoid opposition, at a time when the support of every good " subject was so eminently necessary :—They were willing, " however, that the privileges should be renewed, provided the " term should be considerably short of twenty years ; and that " the Company should not be allowed to import, for home " sale, any piece goods, plain muslins excepted, exceeding ten " shillings per square yard, and muslins ornamented by the " loom

(1) Appendix, No. II. page viii.

PART I. "loom or needle, exceeding twenty shillings per square yard; "—that the duties on piece goods, imported by the Company, "should remain as at present, but, upon exportation, that "eight per cent. only should be drawn back;—that British "manufacturers should have a power to export and import, in "vessels of their own, to and from any part of the world which "might be included in the limits of the East-India Company, "and be liable only, in India, to the duties paid by foreign "nations;—these ships, however, to take their clearances "from London, and to load and discharge their cargoes at "no other wharfs than those of the East-India Company;—"that cotton machinery should, on no account, be exported to "India, and that the line of exclusion should be drawn, "considerably to the Eastward and Northward of the Cape of "Good Hope. If these propositions should not be thought "admissible, the Manufacturers consented, that the privileges "should be renewed, during the continuance of the War with "France, or for two years after Peace should be restored, "provided the Company acceded to the non-importation of "piece goods, except as before specified, and should not export "cottton machinery to India, and that the limits should be "considerably narrowed to the Eastward and Northward of the "Cape of Good Hope. They wished not, however, to injure "the Company, but to encourage the home manufactures, by "liberty to export to those countries, which the Company have "not hitherto supplied with British produce, to the extent of

"the

" the probable demand: in particular, they wished to carry " their produce to China, if that market should be more fully " opened."(1)

— by the Manufacturers of Paisley.

The Resolutions of the Manufacturers of PAISLEY, were nearly copies of those of the Chamber of Commerce of Glasgow. Embracing the same principle, that the monopoly of a foreign trade is destructive to the spirit of enterprize, they asserted, " that the exclusive privilege of the East-India Company, was " an experimental proof of this truth, and concluded, that a " free trade would enable them to supply themselves with raw " materials, upon which they could profitably exercise their " ingenuity and industry, and " spread their produce over all " " the habitable world:"—hence they resolved, that a petition " should be presented to Parliament, for permission to British " subjects to trade beyond the Cape of Good Hope, upon paying " such rates and duties as Parliament might think fit."(2)

By the Merchants and Manufacturers of Manchester.

The principal Merchants and Manufacturers of MANCHESTER, were also called together by the Boroughreeve and Constables, to consider what measures ought to be taken, for preventing a renewal of the East-India Company's privileges; and, if that could not be effected, to devise such modifications of the trade in the new Act, as would facilitate the introduction into this country, of the natural products of the East, and increase the sale of British manufactures in all countries beyond the Cape of Good Hope.

F It

(1) Appendix, No. II, page xi.

(2) Appendix, No. III, page xvii.

PART I.

It does not appear, that the Committee, to whom this business was entrusted, framed Resolutions, but took such instructions, only, as seemed to arise out of the sense of the meeting, or as the nature of the business required. In general, the Merchants and Manufacturers of Manchester, declared themselves adverse to the renewal of the East-India Company's exclusive privileges, and appointed Delegates to convey their sentiments to Government.[1]

When the Manchester Delegates discovered that the proposition for a free trade to India could not be admitted, or, in other words, that private ships trading to India, were held to be incompatible with the continuation of the privileges of the East-India Company, they resorted to the following modifications of the Company's trade, *viz.* that the freight, outwards, should not exceed £4 sterling per ton, and, homewards £12 per ton;—that the manufacturers of this kingdom, should be exempted from all import and export duties to India;—that all goods of private traders, particularly those for home consumption, should be delivered to the owners on demand, or as soon after being landed as the freight and duties should be paid;—that the China market should be opened to every species of British manufacture from the ports in India, in case it should not be permitted to trade direct thither.

After discovering, however, that this rate of freight would materially affect the established shipping of the India Company, they

(1) Appendix, No. IV, page xx.

they suggested £5 for the export, and £15 for the import, as rates at which it seemed reasonable to urge the Directors to agree;—that as the duties in India constituted a branch of the revenue, there could be no difficulty in delivering the goods to the owners;—and that as the trade between India and China could not be carried on in any other way, than by the ships employed in the country, those engaged in that commerce should be at liberty to trade in any article they could find in India, and, of course, in any article of British export which might be sent there, and which they could, with advantage, add to the assortment of their cargoes. A more numerous Delegation, however, were of opinion, that the East-India Company should not, in future, expose to sale any cotton goods, manufactured in the East-Indies, except for re-exportation;—that they should bring home a given quantity of fine cotton-wool, and other raw materials, for the supply of the British manufacture;—and that they should not expose to sale, in any one year, a greater quantity of manufactured cotton goods of India, than they have done on an average of the last ten years.(1)

PART I.

The Manchester Delegates strengthened these demands, by a report from the Committee at Liverpool, who offered to furnish private ships at £14 per ton, properly appointed for the trade, during peace, and required a certain rate (one half or one per cent.) to be fixed for the duties in India;—that goods should be delivered on payment of freight and duties; and that if the trade should

(1) Appendix, No. IV, page xxii.

PART I. should not be opened to China, at least the Company should be obliged to send samples of cotton-velvets and velverets, of suitable colors, to that country and to Persia.

Here the propositions from Manchester closed, till the negociation between Government and the Company opened.[1]

— by the Merchants of Exeter.

The EXETER propositions proceeded nearly on the same ground with the preceding Resolutions; though, like the others, they had a precise object. The Merchants of that city set forth, "that monopolies are pernicious, because they restrain industry, "and enable the monopolist to fix the rate, both of purchase and "of sale;—that the agents of such monopolists have often a "separate interest from their employers, but that the trade of "individuals would render them prosperous, without risk from "such an abuse;—that the errors of the East-India Company "have been felt by the Merchants of Exeter in particular, in "the system formed for the supply of the Company with Devon-"shire woollens, which are procured through factors resident "in London, where the woollens are dyed and prepared, though "the preparation and dying could be carried on cheaper, and "better, in Devonshire;—that this hardship is to be ascribed to "the existing chain which cements privileged companies;—that "the increased demand for Long-Ells in China had raised the "price of wool, because the demands from Germany are now "supplied from that country more reasonably than from Exeter; "—that a free exportation to China, and the Eastern Islands, would

(1) Appendix, No. IV, page xxii to xxvii.

" would create new demands, and open to the woollen manufac-
" tory inexhaustible sources of employment;—that the reasons
" for creating an exclusive Company have long ceased to operate;
" and as Associations of Merchants could, with prudence,
" increase the trade, the exclusive privilege of trade to China
" should be abolished;—that they allowed the difficulty of trade
" to India connected with revenue, but asserted, that such dif-
" ficulties do not exist in China, and therefore resolved, that a
" Petition should be presented to Parliament, praying that a
" more impartial system of trade to the East-Indies might be
" adopted, and one better calculated to promote the commercial
" and landed interests of this country."

The Memorial explaining these Resolutions stated further,
" that the demand of the Directors, for Long-Ells, had of late
" greatly increased;—that, of course, the price of wool had
" risen;—that this had operated as a bounty on the rising
" manufactures in neighbouring states, so that we were in
" danger of losing the old markets of Europe;—farther, that
" the Exeter Merchants could save ten per cent. to the Company,
" in the preparation and dying of Long-Ells, if this branch was
" entrusted to them."(1)

These last propositions resisted, by different Towns in Devonshire, &c.

In opposition to this Memorial it was stated, by several of the lesser Towns, concerned in the manufacture of Long-Ells, that the requisition of the Merchants of Exeter, to have the dying and preparing branches of the woollens transferred from London to

(1) Appendix, No. V, page xxviii to xxxii.

to Exeter, originated solely in an interested speculation, to draw a part of the profits (which in justice belonged to the Company, to whom thousands of the inhabitants of Devonshire owed their subsistence), to the city of Exeter;—that these Towns, and the environs of them, as a debt which they owed to the East-India Company, to whose punctuality of payments, and uniformity of demand, they had been so much indebted, had addressed letters to the Commissioners for the Affairs of India, stating that they were satisfied with the Company's employ;—and that they prayed that the speculations of the Merchants of Exeter might not be listened to, because if any change of system, in trading to the East-Indies, should be adopted, thousands would be left destitute, by the annihilation of their employments; adding, that it ought to be remembered, the encouragement afforded by the Company, had created and supported these manufactures.

—— and by the Dyers and Dressers of Woollens in London.

The complaint of the Merchants of Exeter was principally directed against the Dyers and Dressers of Woollens in London, to whom the Company had entrusted the preparation of the assortment of Long-Ells for the China market. The London Dyers replied, that Long-Ells could only be completely prepared in London and its vicinity, and no where cheaper; but the Exeter Merchants continued to assert, that other European nations, who had the choice of the two markets (London and Exeter), almost exclusively preferred Exeter, and that the supply of the countries beyond the Cape of Good Hope, where the

the consumers have not a choice, might be said to be the only one furnished by London. The London Dyers, &c. explained, that were this branch of industry removed to Exeter, the capitals of those embarked in the trade at London would suffer. To this, it was answered, that the quantity of Long-Ells, at present exported to China, was ten-fold more than it had been in the eight years preceding, and that the Company itself were of opinion, this export would progressively increase, and that they only solicited one-third, or even one-fourth, of the business; hence, that a large proportion would still remain to the factors and dressers of London:—that the supply of Long-Ells for China prejudiced the supply required for the European markets, and therefore, that it was an injury to the trade of Exeter, which, from these circumstances, was on the decline.[1]

This controversy continued to be more obstinate; the London Factors renewed their observations, and the Exeter Merchants retorted with theirs. The London Factors asserted, that the exportation of Long-Ells to China had not raised the price of that article in Devonshire: the Exeter Merchants replied, that this demand had increased in quantity, nearly three-fourths of all the European exports of Long-Ells, and what was still worse, decreased them in quality. The two sorts of Long-Ells taken by the Company were *Green Forrells*, and *Striped Forrells* (the latter always bearing a price, ten to fourteen

per

(1) Letter from the Merchants of Exeter to the President of the Board of Commissioners, April 13th, 1793, Appendix, No. V, page xxxvii.

PART I.

per cent. higher than the former), which have experienced an advance, from 1785 to 1793, of one and a half per cent. ;—that the Company, indeed, had not paid higher, but the commodity, from Autumn 1792, to January 1793, had advanced twelve per cent. :—so that it was inferred, the demand for Long-Ells, for China, influenced the price of that article in Devonshire ;—that the evil was spreading, as the woollen manufactures of Norwich, Halifax, and Leeds, had fallen from ten to fifteen per cent., and yet Long-Ells had advanced in price, the demand for them, in China, not being influenced by the war in Europe.

The London Dyers, &c., in the next place asserted, that if the Company's demand had produced such effects, no dangers would thence arise to the European markets, since no substitute for Long-Ells can be found. In reply, the Exeter Merchants affirmed, that from 1783 to 1785 (immediately after the Peace), the principal export of Long-Ells had been to Spain ;—that during the War (1783), Spain had established manufactures of Long-Ells, at San Fernando and Guadalaxara ;—that, from 1783 to 1786, the Exeter Merchants rivalled these Spanish manufacturers, particularly since the Spanish Government had laid a duty on their *Sargas* ;—that the land carriage, from San Fernando and Guadalaxara, had raised the price of the *Sargas*, and, therefore, the Long-Ells were cheaper at the sea-ports ;—that Spanish America had long been the principal mart for Long-Ells, but that, during the war, a coarse cotton fabric of Catalonia, and the linens and flannels of Silesia, had been used

as

as substitutes, and that the demands for Long-Ells, for Spanish America, had ceased, since 1786 or 1787. PART I.

The Factors of London, in the third place, stated, that a principal cause of the high price of wool, was the demand of woollens for France. In reply, it was asserted, that the demand of Long-Ells, for France, was so inconsiderable, that it could not, even in a slight degree, affect the price of wool.

The London Factors, in the fourth place, affirmed, that Exeter does not possess superior advantages for preparing, dying, &c. the Long-Ells, and that the art was no where in perfection, except in London. In answer, it was said by the Exeter Merchants, that the Long-Ells prepared at Exeter were exported to every part of Europe;—that the labor, arising from this commerce, constituted the principal support of that city;—that the processes are conducted under the immediate inspection of the merchants, and on their own account;—that they could serve the Company as well, and cheaper, than the Dressers and Dyers of London; —and that, at Exeter, they have the demand of all the world open to them, except that of the countries beyond the Cape of Good Hope.

The London Factors affirmed, in the fifth place, that the object of the Merchants of Exeter was to derive a profit from the Long-Ells, bought for the Company, which they do not, at this time, receive. This the Exeter Merchants confessed, and referred to a principle in commercial policy, that profits can only flow from an union of local advantage, with industry and skill.

PART I.

The London Factors, in the last place, affirmed, that the preparation, dying, and finishing of Long-Ells, is not of that importance to the city of Exeter represented by the Merchants. In reply, the Exeter Merchants said, that the fabric of Long-Ells constituted almost the only object of industry at Exeter, and that it comprehended three-fourths, both in quality and in value, of the woollens prepared in that city.(1)

Propositions by the Manufacturers of Norwich.

The Manufacturers of NORWICH, more moderate in their demand, required only, after stating the importance of their trade, "that under the new Act, the Company's officers might "be permitted to make up, as articles in their assortment for "China, the Norwich stuffs and camblets."(2)

General result of the arguments of the Claimants.

In taking a view of the force of this accumulation of claims, as far as they affected the general question of an open, or a regulated trade, the whole appeared, at the time, to resolve itself into the following conclusions :

1. That an open or free trade to the East-Indies would be more advantageous to the Nation, than the regulated trade of the Company, and, therefore, that their exclusive privileges should either not be renewed, or, at least, should only be continued for a short time.

2. That the private Merchants, or Companies of Merchants, in Britain, could furnish a sufficient capital for the East-India trade, and would be actuated by a spirit of enter-

prize

(1) See Appendix, No. V. and letter annexed, April 15th 1793, pages xxxvii to xlvii.

(2) Mr. Harvey's Memorial to the Lords of Trade and Plantations 4th May 1793, page xlviii.

prize; so that Government might enact commercial regulations for the Free Traders, by which the revenues of British India could be made to pass home, in greater amounts than what had hitherto been received, through the trade of the East-India Company.

3. That, supposing the territorial revenues to be continued to the Company, the trade might be opened, either in whole, or in part; and if certain articles in the trade should be exclusively continued to the Company, still that the Free Traders might be allowed to become competitors with them in the remaining articles.

Effect of them on the public opinion.

These arguments in favor of the open trade could not, at the time they were promulgated, but have an influence upon the public mind. The manufacturing interests had been annually increasing; our artizans in the different counties were numerous, and received wages hitherto unknown, while their employers had acquired fortunes, as the fair reward of their ingenuity, enterprize, and industry; it was, therefore, the wish of Government, to afford every encouragement to those meritorious classes of men, and, at the same time, to do justice to the East-India Company, whose exertions, for nearly two hundred years, had given existence to some, and spirit to most of these manufacturing bodies, or brought them to the situation in which their interests could be opposed to those of the Company.

Conduct of Government respecting them.

Under circumstances so novel in their kind, and with claims before them, so obviously incompatible with each other, it

required

PART I.

required the most deliberate attention of Government to prepare the whole materials, and to arrange them in such a manner, that they might meet the examination and decision of the Legislature:—for this purpose it became necessary, not only to examine the grounds upon which the observations and arguments of the commercial and manufacturing bodies rested, but also to call for the evidence which the East-India Company could adduce, as the ground of their expectations for a renewal of their exclusive privileges. Documents, only, could shew, whether the expectations of their Opponents, or those of the Company, were best founded, or prove, that it would be for the public interest, to alter the whole system of the British trade to the East-Indies.

Answers made by the Company:

We shall, therefore, in their order, state the answers to each of these arguments, as brought forward by the Company.

—— to the propositions for an open trade to the East-Indies.

To the first argument, or "that an open and free trade to "the East-Indies would be more advantageous to the Nation, "than the regulated trade of the Company, and therefore that "their exclusive privileges ought either not to be renewed, or, "at least, ought to be continued only for a short time;" it was answered, that before these advantages could be deemed substantial, or before the innovation could be admitted, the preliminary question should be solved,—in what the supposed advantages of a free and open trade consisted? because, to attain them, a regulated commerce, like that of the East-India Company, was to be relinquished.

Advantages

PART I.

Advantages from the East-Indies, to the Nation, it was observed, could be of three kinds only; an increase of trade, an increase of domestic revenues, and an increase of foreign dominions and revenues arising from them. If, from documents annually laid before Parliament by the Company, it had appeared, that their shipping, on an average of ten years, amounted to eighty-one thousand tons, employing seven thousand seamen, at the expence of about £850,000 per annum;—that their exports of British produce and manufactures, including those in private trade, had amounted to £1,550,000 per annum, and that the sales of their imports had amounted to £5,103,094; it followed, as a subject for consideration, whether the proposers of the open trade had brought forward any estimates to shew, that under the new system which they recommended, a greater quantity of tonnage, suitable to the trade, would be employed; whether any estimate of the exports of British produce had been adduced by these claimants, and whether these exports were to be of British staples, or of goods manufactured from Eastern raw materials. It was, in the same way, to be ascertained, whether any estimate had been formed, to shew, that the imports from India, and from China, would not only be larger by the new system, but tend, in the same degree, to rival the European Companies in the market; and, on such estimates, it was inferred, the Legislature could only judge whether the trade, which we now enjoy, ought to be shifted from its old channel, in

order

PART I.

order to obtain a greater trade, promised under the speculation of the open commerce.

The favorers of the Company held, that as far as regarded India, the value of the revenues to Britain was connected with their passing through a regulated commerce; for in this way, only, the public could participate in them. The private Merchants, it had been said, could bring home portions of this revenue; but it was allowed, that the Legislature must devise a body of regulations, under which these portions could be entrusted to such Merchants. Various plans, it was added, had been thought of, upon the presumption of the open trade to India being practicable; but it had, in general, been found, that though the clearances from India, and from Britain, might be precise and regular, it was next to impossible to ensure to Government, that the Private Trader would observe them with a rigid punctuality. Private merchantmen, more easily than the Company's regular ships, might yield to the temptation of a great profit, and might be driven out of the common line of navigation to Britain, towards ports in America, or in Europe.

If, in the same manner, upon the perusal of documents, it should appear, that the East-India trade had paid, in duties and in customs, (exclusive of those on private trade) upwards of £1,000,000 per annum, recourse must be had to the resolutions and memorials, to discover, whether or not any calculations, or estimates, had been formed or adduced, tending to shew, that the

the open or free trade would either pay the same or greater amounts. If no such estimates had been formed, then it became a question, whether the Public ought to relinquish a large revenue which it possessed, for an indefinitely greater revenue, promised to it upon speculation only. PART I.

If it appeared, that the revenues of India, for the ten years preceding the year 1793, had been on the increase, and from statements of them laid before Parliament, that they amounted, on the average of three years, to £6,897,730; that in the war of 1783, dominions had been acquired, which gave the hope of an increase of Indian revenues; and if the Public, under the existing system, had reason to expect a participation, it was a natural demand, whether an open trade was perfectly compatible with existing commercial and political advantages from the East-Indies? and whether, supposing the territorial revenues to be separated from the trade, the Nation would derive the same advantages which it, at that time, possessed?

It was shewn, that, after the Commutation Act, Britain had become possessed of the greatest share in the China trade, and that the confidence of that singular people in the large demands, regular payments, and established credit of the Company, was stronger towards the English, than towards any other Nation; in so much, that the demands of the Company, for one species of woollen manufacture, had been complained of as too great; and it was concluded, that a change of system ought not to be hazarded. It was also asked, if any

estimates

PART I. estimates had been produced, to convince the Nation, that under the new plan, we could maintain our preference in the China market, increase our trade to it, and meet our European and American competitors, then the new system would merit attention; but if no such estimates had been produced, it became doubtful, whether even this branch of the trade, in its present magnitude, could be preserved by the experiment of an open trade:—hence it was held to be dangerous to attempt such a change.

Men of deliberate judgment now began to hesitate, and to waver in their opinions on the subject:—they saw, that it was doubtful whether the whole of the Eastern trade, the home revenues arising from it, our Indian dominions, and the revenues they yielded, could be preserved in a state of prosperity, if the innovation of the open trade should be adopted.

— to the principles from which the system of an open trade was deduced.

Though perhaps it is unnecessary to examine the principles from which some of the mercantile and manufacturing bodies deduced their system of open trade, yet we should not give a fair view of the opinions, which prevailed at this juncture, if, after bringing forward the substance of the observations in the different resolutions, we did not, also, lay open the circumstances upon which they proceeded.

It was stated, that the description given of monopolies, or the privilege to a merchant of bringing what quantities of goods into the market he might chuse, and selling what quantities, and at what prices, might suit his interest, was, by no means,

applicable

applicable to the regulated trade of the East-India Company;—that nothing was so easy as to condemn this great mercantile body, as monopolists, unless it were to hold out a specious plan to subvert their commerce;—that though the general arguments against monopolies might be good, they did not apply to the case;—that so far from being a monopoly, the East-India stock was open, and might be purchased, by every Merchant, or by every Association of Merchants, who might choose to buy shares in it;—that, in fact, the East-India Company were not a private Corporation trading exclusively to the East, but the British Nation trading, under regulations, to that part of the world, upon a large capital, as exclusively, indeed, of other Nations, as subsisting treaties would allow;—that it could not be a monopoly, where every stranger, as well as the subjects of this realm, might become traders, by entering into the Company's concern;—that it was not a monopoly, where sales were regulated, and prices left to the pleasure of the buyer;—and that it was not a monopoly, where the amounts of the sales were annually laid before Parliament, and the Public.

Notwithstanding these truths, it appeared somewhat singular, that the avowed opponents of monopoly should ask monopolies for themselves in the home market, and seek to impose hard restraints upon the Company, and harder, still, upon the countries to which both were to trade:—for instance, the Manchester Manufacturers required, that the home cotton goods should have an exclusive possession of the British market;—that the piece goods from India should be prohibited to be worn

PART I. in Great Britain, and that even the importation of them, for re-exportation to foreign markets, should not be extended beyond the average of the last ten years:—they confessed, at the same time, that they themselves enjoyed a flourishing trade, and that it had been in the following progression,

In 1783	....	£3,200,000
1784	....	3,950,000
1785	....	6,000,000
1786	....	6,500,000
1787	....	7,500,000.

That the importation of the raw material of cotton, &c. had, since that time, increased in a larger proportion, as appeared from the Custom-House books; but as the Manufacturers had not then made up any further account of the value of their manufactures, an estimate could not be made of its annual amount. The importation of cotton, however, shewed an increase in trade, the quantities having been

In 1786	.... lbs.	19,475,020
1787	....	23,250,268
1788	....	20,467,436
1789	....	32,576,023
1790	....	31,447,605

to which the Company's imports bore no proportion.

	Pieces.	Value.
In 1786	845,154	£1,570,217
1787	852,496	1,439,043

In

	Pieces.	Value.
In 1789	820,099 ..	£1,229,360
1790	1,054,694	1,752,356.

They, however, would not be satisfied with a competition, and would have nothing less than the annihilation of the Company's trade in India Piece Goods. They required, at the same time, that British goods should be received duty free in India, and that the Company should import, annually, a certain quantity of fine cotton-wool, and other raw materials, for the use of the British manufactures:—and even that the Natives of India should pay tribute, without returns, and give their raw materials for the muslins which are to be fabricated from them, in Europe, and imported into the East, duty free.

In a similar manner, the Glasgow Manufacturers insisted, that the Company should not import, for home sale, any Piece Goods, excepting plain muslins, not exceeding ten shillings per square yard, and muslins, ornamented by the loom or needle, not exceeding twenty shillings per square yard;—that only eight per cent. drawback, on re-exportation, should be allowed;—that the Natives of India should not be permitted to make use of machinery, in manufacturing the raw materials, which grow on their soil: as if hard labor, and an exclusion from the markets of the Sovereign, by whom, in common with the Glasgow Manufacturers, they were protected, were to be the only rewards for their allegiance. It was therefore asked, whether this demand was consistent with the duty which the British

 European

PART I. European owed to the British Indian subject, or with the declamation against monopolies, which introduced the resolutions?

On this subject, it was farther observed, that every man will confess, "that the Creator of the World has made different "portions of the earth, to yield the means of subsistence to its "inhabitants;" and that "one nation ought to send its super-"fluities to supply the wants of another."

"Commerce," it was also true, "connects distant parts of "the world with each other," for, by navigation, it brings the productions of one climate, to supply the wants and minister to the luxuries of another. It was not less true, that "the in-"genuity and industry of man have perfected the useful arts "subservient to navigation;" but the natives of different countries are unequally civilized, and unequally disposed for mercantile transactions. Neither the Native Tribes on the Southern Coast of Africa, nor the inhabitants of the shores encircling the Arabian and Persian Gulfs, nor the people inhabiting the "Islands profusely scattered throughout the Indian Ocean," have yet been discovered to live under a subordination, which binds them to regularity in their transactions, or to probity in their barter. That the products of Britain would supply some, and create many new wants in these natives, and that they might be prevailed on to accept of our superfluities, is true; but that they would "give their produce to supply our wants," and not discover a propensity to purloin from, or to put the strangers to death,

death, who had come from a distant land, to relieve those wants, no voyager has, as yet, discovered.

— to the complaints against the Company, for not trading to all the countries within their limits.

In the third place it was observed, that it was harsh to charge the East-India Company with having prevented the export of our manufactures to some of the largest and richest regions of the world, where, "there is reason to believe, the "private Merchant might, in the course of an open trade, "increase his profits twenty-fold and upwards."

To remove this impression from the Public, the East-India Company stated the gross amount of their purchases of the home manufactures, or woollens, hardware, metals, &c. and of the profits which those different classes of Manufacturers and Merchants had received, and added the gross quantities of the raw materials imported, upon which our cotton and silk Manufacturers have exercised their skill and industry; illustrating these facts, by the opportunities which had been given to those classes of artizans, for imitations of Indian fabrics, by which they had been enabled to rival the Asiatic imports of the Company; and concluded, that the effect of the open trade would be, to reduce the English to a new and dangerous competition with foreign nations, of every description; and that if the Company had rendered these services to the Public, their privileges ought not to be considered, or looked at, as injurious to the industry or commerce of the Nation.

The countries which the Merchants and Manufacturers specified, as markets, to which the Company's trade had not been

carried

carried, were the Eastern Coasts of Africa:—to which it was answered, that the Dutch, though possessed of the Cape of Good Hope, had not succeeded in their commercial enterprizes in that quarter, or, at least, not better than the Portuguese, who first doubled the Great Promontory of Africa;—and it was, from these facts, inferred, that though the British trader might perhaps be more enterprizing, he certainly could not be more persevering than the Dutch;—that he might, indeed, attempt to trade with the savage tribes who inhabited the Coasts of Africa, but he probably would pass from those Coasts to the Peninsula.

The Coasts of the Gulfs of Arabia and Persia were next pointed out, as countries, within the limits of the Company, which they had neglected, and which, therefore, ought, now, to be opened to the Free Trader. If these claimants, it was answered, had looked into the ancient commercial proceedings of the East-India Company, they would have found, that during the reign of King James I, the East-India Company had, by assisting the Persians, in re-capturing the Island of Ormus from the Portuguese, acquired considerable privileges of trade at Gombroon, and a moiety of the customs at that port;—that, during the reign of King Charles I, and during the Interregnum, these markets were kept open, and great efforts made to obtain raw-silk, and Caramania wool, in exchange for English broad-cloths and manufactured produce, in general;—that, during the reign of King Charles II, and even after the Revolution, and subsequently to the

the Award of Lord Godolphin, similar efforts had been made by the United Company :—or had these claimants looked into the modern commercial History of the East-India Company, they would have found, from the Report of the Directors, to the Lords of the Privy Council, that from 1758 to 1768, the most persevering efforts had been made to increase the demand for British woollens, in the provinces contiguous to Bussora, Bushire, Gombroon, and Tatta, on the Indus; but that, before the death of Keram Khan, and more particularly since that event, such was the predatory disposition of the Sheiks (Chiefs) who usurped the different portions of his Kingdom, on the Coasts of this Gulf, that even with the aid of the Bombay marine, and a detachment of the troops of that Presidency, and, at one time, with the assistance of King's Frigates, and a commission from Government to Sir John Lindsey, to endeavour to compel the Sheiks to an observance of the treaties concluded with them, those markets could neither be kept open, nor the Company's establishments maintained, though they were the only inlets to the Provinces, stretching inland into Persia, and towards Candahar;—that Bussora and Bushire have been kept possession of, because necessary for conveying over-land dispatches from India to Europe, and to curb the schemes of the French, who, after the loss of their territories in India, projected, by an overland route to Bussora, and the navigation of the Gulf of Persia, to open a market for their thin cloths, on the West Coast of the Peninsula of India.

The

PART I.

The records of the Company, also, would have shewn, that frequent attempts had been made, at the same periods, to open a trade on the Coasts of the Red Sea, but these attempts had been unsuccessful, because the tribes on both sides of the Gulf of Arabia were still of a more predatory character, than even those on the shores of the Persian Gulf. Though Admirals of the Mogul for the Guzerat, since 1759, and under the condition of conveying pilgrims from Surat to Judda, in the vicinity of Mecca, the Company, in their efforts to trade at Judda, and at Mocha, had experienced heavy and successive losses, and frequently had been obliged to interrupt this branch of their business.

In a similar manner, the accusation, that the Company have not paid attention to the Eastern Islands, was contradicted by the fact; for it was not recollected, that the Dutch were in possession of the Spice Islands, and that, in the early periods of the Company's trade, repeated attempts were made to open an intercourse with Japan, and the principal Islands, which were, more or less, influenced by the Chinese Government, the jealousy of which would, even at this time, expose the Free Traders to dangers, of which the speculators had no information.

In the last place, it was observed, that the renewal of the Company's exclusive privileges was a subject, on which the deliberations and wisdom of Parliament must decide from evidence, and that there would be no objection to allow the claimants to be heard by counsel.

Some

Some of the resolutions, it was, however, to be observed, had already decided against the renewal of the Company's exclusive privileges: others of them, more moderate, were for renewing them for a short time. The former proceeded upon the immediate necessity of opening the trade: the latter, either were doubtful of the consequences of so sudden a change, or were only for granting privileges to the Company, till the experiment could be tried by themselves. The observations already made, on the subject of monopoly and free trade, were repeated, in reply to the first of these schemes; and to the second, it was answered, that it was singular the Company should be allowed to retain their exclusive privileges, while their opponents could not reap any advantage from them, during the war with France, and that they were to be deprived of them in two years after a Peace should be signed; that is, at the time when the Company might hope to recover the losses they might sustain during the war.

Observations of the Directors upon the probable claims of Ireland for a participation in the East-India trade.

Though no direct claim, at this time, came from IRELAND, either for an abolition of the East-India Company's exclusive privileges, or for a participation in the profits of the trade, yet the Public expected (for the Union of the two Kingdoms was not, at this period, in contemplation), that a demand of this kind might be brought forward.

During the sessions of Parliament (1791-2), frequent mention had been made, of the right of Ireland, to trade to the East-Indies:—Ireland, it was said, had long beheld

PART I. with regret, the preference given to the English, in this foreign dependency of the Crown, and now, when the subject was open, it expected to have its right to the East-India trade examined and established; and, therefore, under all the political circumstances of the two kingdoms, serious consequences, it was added, might result, from inattention to, or rejection of the claims of Ireland.

The Irish Manufacturers considered, that their country was a part of the British Dominions in Europe;—that they were equally entitled with England, to the protection of Government; and that it would be unreasonable, one class of His Majesty's subjects should reap positive advantages, while another were to be restrained in the efforts which might reward their industry.

The East-India Company, whose interests were immediately affected, were, therefore, induced to bring forward documents, and arguments founded upon them, that the real circumstances of the case might previously be known, and that the Nation, and the Legislature, might co-operate in their decision.

Under this impression, the Court of Directors, in January 1793, appointed a Select Committee, to take into consideration the export trade from Great-Britain to the East-Indies, with a view of meeting any claims which might arise, on the part of Ireland, for a participation in the Indian and China trade of Great-Britain.

As

As the report of this Committee proceeded upon evidence, and had the best effect upon the minds of impartial men, both in Britain and in Ireland, the substance of it formed an interesting preliminary to the negociations, between the Court of Directors and Government.

The report is introduced with an examination of all the demands which it was probable that Ireland might make, for a participation in the trade to the East-Indies. It could only ask, either an Union with the English Company, or an exclusive and regulated trade for itself, or an open or free trade to the East-Indies.

The plan of an Union with the English Company, it was presumed, Ireland would hesitate to accept, because the immense expences which would accompany such a transaction, would be a sufficient reason for desisting from it. An exclusive and regulated trade Ireland would find impracticable, because the establishments it must make for such trade, would endanger the safety of the empire:—a free trade would be injurious to its own internal interests, because the emigrations and expences, resulting from it, would depopulate and impoverish that kingdom.

In illustration, it was observed, that Ireland had never contributed towards the acquisition of the British territories in Asia;—that, previously to any arrangement with the English Company, the Irish must contribute their proportion towards the payment of the dead stock, bad debts, heavy losses, and

PART I. miscellaneous expences of our foreign settlements, and must pay, besides, a proportion of the annual charges of our commercial establishments, as well as for the protection and defence of the common territories. It was thence concluded, that the payments would be larger than the value of any concession which could be made, or exceed the most sanguine expectation of profit, if not the amount of the Irish trade, to and from the East-Indies.

From these points, in connection with the manner in which our Empire in India had been acquired, and from the dangerous consequences of introducing the subjects of the same Government, speaking the same language, to act independently of each other, it was inferred, from the events attending the Union of the London and English East-India Companies, that the system of union would be unintelligible to the Native Powers, and might be subversive of the British power and trade in India.

The commercial question was then examined, by comparing the new situation of the projected Irish Company, with that of the English Company, previously to our acquisition of territories; and contrasting its situation with that of the other European Companies, who have no territories, or only narrow districts, in India In the former case it appeared, that the English Company had, for the purpose of purchasing their investments in India and in China, frequently exported not less than one fourth part in manufactures and produce, and the remainder in bullion;—that, at this time (1793), they exported British manufactures and

 produce,

produce, which they often sold at prime cost, because this was the most substantial return they could make for the exclusive privileges to the Public. It was thence contended, that as there could be no demand for Irish poplins and tabbinets in China, and as there was not any other article which the Irish could export, they must carry out bullion only. If so, the views of individuals must proceed upon clandestine trade; and in this they would be disappointed, because the good sense of Government could not listen to them.

Having taken this ground, the report then proceeded to trace the foundation, upon which the expectations of Ireland, respecting trade to the East-Indies, must rest.

In the first place, the Irish must presume upon an increased exportation of Irish produce and manufactures. On this subject it was asked, what articles Ireland could furnish, that would find a market in warm climates? The Irish linens are inferior to the cotton manufactures, of a similar fabric, in the East. If Ireland has any other articles for exportation, such articles must expect to meet with a competition on the part of Great-Britain, as our manufactures are sold by the Company at prime cost, and without charge of freight:—nor would this competition be confined to Britain; other countries, better situated than Ireland for the Asiatic trade, would, without our control, rival Ireland. It was thus evident, that the Irish would derive greater benefit from the present system, as the wishes of the English Company for the prosperity of Ireland, would lead them to encourage the

exports

PART I.

exports of Irish manufactures, in every way that might not be prejudicial to the Irish themselves.

In the second place, the expectations of Ireland must rest upon a supposed increase of importation of raw materials from the East. If it should appear, that Ireland can procure cotton-wool, raw-silk, and indigo, in Britain, in return for its exports of linen, or its grain and provisions, at a cheaper rate than in the East, then it ought to prefer this trade, to sending bullion to India and China; and if it should also appear, that these Irish articles cannot find a market in the East, and that nine parts in ten of the assortment must be in bullion, and also that two years are, at least, required to obtain a return, the situation of Ireland, in her exports, would be against the trade.

In the third place, the expectations of Ireland must rest upon a supposed importation of India and China articles to be consumed at home. On this subject it was not to be supposed, that Ireland would consume the manufactures of the East, in preference to its own. If Ireland would advert to the fate of the foreign Companies, which have proceeded upon the same ground which it might wish to take, it would discover, that the Swedish, Danish, Embden, Dutch, French, and Portuguese trade to the East, have declined, by adopting this plan:—that since Britain acquired the Dewanny, and, much more, since the passing of the Commutation Act, the Company have engrossed the China trade; and that the large and regular payments of the Company, and the long habit of trade which the English

English have established in the East, must give them a decided preference to the China market.

In the fourth place, the expectations of Ireland must rest on obtaining a part of the Carrying Trade. In this case, the large amounts paid by the Company for freight must be adverted to, as well as the capital of the ship-owners, and that the Company are their own insurers, both in war and in peace;—that their ships are armed and manned for defence;—that the ships must be of a particular construction and size, and that the demorage which cargoes pay, for want of these precautions, must also come into the estimate. Supposing, then, that the Irish obtain a share in the Carrying Trade, they could not be in a better situation with their ships, than Ostend had been, where the freight outwards to India, was £10 per ton measurement, paid on shipping the goods, and from India, inwards, £20 per ton on piece goods and Indigo, £15 on coarse bale goods, and £6 on cotton in large bales.

In the last place, the expectations of Ireland must rest on finding employment for their shipping in India; but it would be sufficient, on this point, to observe, that the Company, in 1791-2, sent out two ships cheaply navigated, at £8 per ton outwards, and £12 per ton homewards;—that the Company have not experienced losses from the shipping being detained in the East, compared with what general ships must experience; for if the latter do not meet a cargo in India or China, they must remain there for a season, and their employers be ruined.

It

PART I.

Comparison of the probable competition between the proposed Irish and foreign Companies, and betweenboth, and the English East-IndiaCompany.

It might, perhaps, be said, that Ireland can always supply itself with teas from the China market; but it must be considered, that the size of the Company's China ships has reduced the freight, and that the competition with the European Companies, which are in the same situation as the Irish would be, was on the decline. With regard, therefore, to the China trade separately, it is the interest of that people to attach themselves to the English Company, because the demand is uniform and large, and because the payments are punctual: any competition, therefore, in this trade, between the English and the Irish, could only be productive of evil to both.

If a trade to China should be denied to Ireland, it was argued, that a trade to India might be conceded : but if this trade should be on British capitals, the consequence would be, smuggling into Britain, to the injury of the revenue; for it must be remembered, that the same duties of three per cent. on callicoes, and eight per cent. on muslins, after charges and drawbacks, must be laid upon Ireland, which are paid in Britain :—a Commutation Tax must also take place there, as well as in England; of consequence, Ireland would be, in no respect, calculated for a competition with Britain in the import trade, much less would it in the export, which last it must carry on wholly by bullion.

Under these circumstances, the report concluded, that it might be presumed, Ireland would not solicit what would be injurious to the English Company, or to the British Nation, unless it

it could be shewn, upon the fair principles of trade, that the plan would be beneficial to themselves; more particularly when it was considered, that large portions of the revenues and commerce of India were realized in Ireland, and have contributed to its general prosperity. These were substantial and permanent advantages, sufficient to do away the idea of rivalship and competition, which might bring ruin on one party, and mischief on all.

The accuracy, and the solid reasonings on facts, which mark this Report of the Directors, seem to have had the most beneficial effects, both in Ireland and in Britain, on those who could best judge, respecting the claims of that kingdom, for a participation in the East-India trade.

Result of the reasonings on these subjects, on the conduct of the Irish and British Nations.

In the course of the negociation we shall find no opposition to the renewal of the Company's privileges, from the Manufacturers and Traders of Ireland; but, on the contrary, that the Parliament of that Kingdom, satisfied with the arrangement of the Company's Affairs, passed an Act, adopting for Ireland, the provisions of the Act in England. The Irish were, thus, relieved from the anxiety which they felt to benefit from the trade to the East, by the condition which was understood to be complied with, during the negociation for the new period, that the Company were to furnish to them a proportion of tonnage, for an easy and safe export of Irish produce and manufactures, and opportunities of importing such Eastern commodities, as their manufactures and consumption might require; and yet not to involve them in any competition with England, or in the risks which inevitably would have

PART I.

attended the expensive and uncertain experiment of opening a trade to the East-Indies for themselves.

Second class of Opponents to the Company, or those who were either for participating in the trade, without being sharers in the stock, or for laying the Company under certain restrictions.

II. The Second Class of Opponents to the Company were those, who were for participating in the benefits of the trade to the East-Indies, upon their own funds and risk, without being sharers in the Company's stock or expences; or if this could not be obtained, were for allowing the Company to retain their exclusive privileges, but placing their commercial proceedings under certain restraints, in exports, imports, rates of freight, and home sales.

General objects of this class of Opponents.

In these complicated demands, the Opponents to the Company appear to have marked out for themselves progressive lines of conduct. Relinquishing the plan of substituting an open, for the regulated trade of the Company, they resorted to the old project of the English East-India Company, or that of Separate Traders, on their own funds and risk, with this difference, that they were not to be sharers in any joint stock. If this should not be admitted, they then resolved on the project of being permitted to proceed on their own funds and risk, and to enter into the trade, by placing the exports and imports of the Company under such conditions, as would introduce the Separate Traders into the Eastern markets.

Scheme of the Separate Traders, without being sharers in the Company's stock.

This scheme of Separate Traders had been an old and a tried one:—it had been attempted by Courten's Association, in the reign of King Charles I.; it had been tried by the Merchant Adventurers, during the Interregnum; and it was allowed to

the

the English East-India Company, during the reigns of King William and Queen Anne; and had terminated either in the bankruptcy of the parties, or obliged them to escape from this evil, by an Union with the joint stock and regulated trade of the East-India Company.

The subject now assumed a new character, for the Company, instead of a few seats of trade, had become possessed of some of the richest provinces of the Mogul Empire; and the evasions of the Private Traders, or Interlopers, had become impracticable, because they could be detected by the officers of the revenue at the different Presidencies, and their illicit connections with the Natives observed and punished, as being, if not treasonable, at least, a misdemeanor, tending to a breach of the public tranquillity of the Settlements.

Scheme of the Private Traders, for placing the Company under certain restrictions in their exports, imports, &c.

Aware of these consequences, and yet disposed to encourage the enterprizes of the Merchants, Government proposed to obviate the difficulties, by the plan of allowing them a proportion of tonnage in the Company's ships, at a regulated freight.

Foreseeing that this plan would meet the approbation of Parliament, the Separate Trading scheme was dropt, and certain conditions, under which the Private Trader could enter the Eastern market, resorted to:—hence the disputes, respecting exports, imports, rates of freight, Agencies in India, Houses of Agency in Britain, and regulations for the Company's sales, detailed in the sequel.

As

PART I.

Both schemes repugnant to the experience of the Company, and of the State.

As the preliminary plans of Government and of the Company, proceeded solely on experience, both referred to the actual state of the Company's trade, and reasoned, that if it were possible to carry it on, in its present magnitude, and, at the same time, to set up British rivals to meet the Company in every Eastern market; or if it were practicable to realize the revenues of India in Britain, while the trade of the Company, through which the revenues were to pass, was to be divided between the East-India Proprietors, and the Separate Traders, or of their agents (paying no part of the charges of the Settlements), then the claims of the Separate Traders would have had some foundation.

When facts, however, were examined, and when it was found, that the trade of the East-India Company had borne down almost all competition from Foreign European Companies; —that the East-India trade required a large stock and an established credit, both in India and in China, to support it;—that Private Adventurers, though they might furnish a stock, or fund, equal to a particular scheme, yet must be many years in establishing their credit and character in the East, and that it would be difficult to bring them under the same restraints which the Company observed, the claims of the Private and Separate Trader gradually became weakened, as the foundations of them were more fully examined.

The Public had, by this time, entertained the expectation, that a proportion of the revenues of India might become one of the

the national resources, and, under this impression, were afraid of innovations; and it was felt, that the Separate Traders might weaken the Company's credit, and not only wrest from the State, either a direct or an indirect aid from the Indian revenues and trade, but abridge, if not destroy, the Balance of Power among the remaining Indian sovereignties, which the Company had so recently acquired.

Arrangement of these claims by the objects of each.

With the object of bringing forward the evidence which bore upon these points, we have first to examine the propositions of the Merchants and Manufacturers, who carried on trade in the staples of Great-Britain, but who, at the same time, had no share in the stock of the Company;—second, the claims of the Merchants and Manufacturers, who worked up the raw materials brought from the East;—and third, the claims of those who, in part, used Asiatic, and, in part, British materials.

Of the first kind, were the claims of Exeter, Norwich, &c., and the propositions from the Proprietors of Mines in Cornwall: —of the second kind, were the claims of the Glasgow, Paisley, and Manchester Manufacturers, &c.:—of the last kind, were the requisitions of the Manufacturers of Gunpowder, &c.

We have already examined the general question respecting the open and free trade, as it stood previously to the opening of the negociation between Government and the Company, and must now consider this dispute as removed entirely out of view:—we have now, only, to fix our attention on the claims of the Separate Traders, after they discovered that the intentions of Government

were

PART I.

were to renew the privileges of the Company, with modifications, for the interest of the Manufacturers; and this at the time when the commercial problem was solving, in what manner it was practicable to conciliate the demands of the Separate Traders with the existing system of the Company's commerce?

Claims of the Manufacturers of British Staples at Exeter.

The Manufacturers of Exeter claimed privileges connected with the staple of Britain, or its woollens:—hence, in the order of the subject, they came first under notice.

They required to become the Dyers and Preparers of Long-Ells, or, at least, to divide this business with the London tradesmen. They affirmed, that they were able, not only to meet the demand for that article in China, but to supply the markets in Europe; and under their present circumstances they had found, that it was impracticable to do both, on account of the quantities prepared in London, for China; at least, that they were not able to retain the European demands, at a price which would bear down the foreign manufacturers, who had recently rivalled them; and insisted, that the credit of the Exeter Merchants was equal to the whole of these markets:—and though the connection between revenue and trade in India might exclude them from our Provinces, no such objection could lie against their sending their produce to China.[1]

Answers of the Devonshire Towns, &c. to this demand.

In answer to this argument, it was observed, by a numerous body of Manufacturers of Long-Ells in Devonshire, &c., that any change in the East-India Company's trade would, from the employment

(1) Appendix, No. V. page xxviii.

employment they had given to thousands, be ruinous to the sale of this kind of woollens.(1)

Limited requisition from Norwich.

It does not appear, that the Manufacturers of Camblets at Norwich required to try the trade upon their own funds and risk, but only solicited, that the allowances to the Company's Officers, of what is termed "*private trade*," might be made up from their fabric, or, in other words, that the Officers might be permitted to take directly from Norwich, what part of their assortment they might chuse in Camblets.(2)

Demands of the Proprietors of the Mines in Cornwall.

The claims of the Proprietors of the Mines in Cornwall, after the general point, that the privileges of the Company were to be renewed, was agreed upon, were as follow:

1. That as proprietors of British articles, an option might be given to them, either to sell their produce to the East-India Company, if disposed to purchase it, or to export it, on freight, in the Company's ships, or in ships hired by themselves, with liberty to sell, upon their own account, in the markets of India and China.

2. That an option might be given to them, in respect of the mode of remittance to this country; and that they might be at liberty to effect that object, either by payment of the sale amount, into such of the Company's treasuries as might be most convenient for that purpose, to be repaid by bills on the Court of Directors, granted at the current rate of exchange, or by purchasing raw materials, the produce of these countries, for importation,

(1) Appendix, No. V. page xxxv.

(2) Appendix, No. VI. page xlvii.

PART I.

importation, and might, on their own account, bring these materials into this kingdom on freight, in the Company's ships, or in ships hired by themselves.

3. That such regulations should be adopted in the new Act, as should secure to the Proprietors of the Mines in Cornwall, a certainty that such freight, out and home, if necessary, should be furnished, through the medium of the Company, at a cheaper rate than those Proprietors could procure it.

4. That a regular and certain access to China should be given, under the new Act, to the Proprietors of the Mines in Cornwall, that is, an access proportioned to the necessities of these Proprietors, and to the consumption of the Chinese; and that, upon the same principle, a like access should be granted to India. These Proprietors farther required, that full and detailed regulations might be established, in the new Act (if passed), to secure the practical enjoyment of the privileges above specified, whether relating to India or to China.(1) These requisitions were transmitted to the Board of Commissioners for the affairs of India, and sent to the Court of Directors:—hence the subject lay over for consideration, till the negociation with the Company had considerably advanced.

— of the British Manufacturers of Eastern

Of the second species of claim for a participation in the benefits of the trade to the East-Indies, upon their own funds and

(1) Letter from Lord Falmouth to Mr. Dundas, forwarded by him to the Chairman of the Company, 13th March, 1793. (Printed Papers respectiug the Negociation for the renewal of the Company's exclusive Privileges, No. III. Article V).

and risk, was the demand of the Manufacturers who depended upon raw materials brought from the East; that is, of the Manufacturers of Muslins and Cotton Cloths, in Glasgow, Paisley, and Manchester, &c.

PART I. raw materials.

The general requisitions of these bodies, on the subject of an open and a regulated trade, have already been detailed;—in this part of the subject, therefore, it remains only to examine their specific demands, after they understood that it was intended to renew the privileges of the Company.

— of Glasgow.

The Chamber of Commerce of Glasgow were of opinion, that the capital of the Company might still be employed in the trade, though the exclusive privileges should cease and determine;—that the enterprize of individuals would draw from the East, raw materials and other articles, now supplied them, in a great measure, by foreigners;—that the British Manufacturers ought to have a power to import and export, in vessels of their own, and be liable only to the duties in India, paid by foreign nations;—but their ships, at the same time, should take out clearances from London, and discharge their cargoes, at no other wharfs but those of the East-India Company;—that the Company should be prohibited to import plain and wrought muslins for home sale, except plain muslins exceeding the value of ten shillings per square yard, and wrought muslins, exceeding the value of twenty shillings per square yard;—and that the present duties on re-exportation should be continued, and an obligation given for the importation of raw materials from India.

PART I.

— of Paisley.

The Paisley Manufacturers made propositions nearly similar to those at Glasgow.

— of Manchester.

The Merchants of Manchester required, that the freight should be fixed at £4 outwards, and at £12 per ton homewards, with an exemption from the payment of duties in India, and the opening of the trade to China for every species of British manufacture.

— of the Manufacturers, who work on materials, partly Asiatic, and partly European.

The third kind of claims for participating in the benefits of the trade, were the requisitions of the Manufacturers who work on materials, partly Asiatic, and partly European.

— of the Manufacturers of Gunpowder.

The Manufacturers of Gunpowder in London came under this description. They had presented successive memorials to the Board of Trade, which stated, that several of the Directors, at different times, had declared it would be a wise measure to make London the grand depôt for saltpetre, and that they assured the consumers, that orders had been sent out for 5,000 bags to be put on board each ship, instead of 3,000, the usual quantity, and yet that the ships, in the current season, had substituted sugar in place of saltpetre;—that the quantity put up for sale had been so small, that the number of bidders had upheld the price, to the great injury of the Manufacturers of Gunpowder, and of the Public; for although the duty paid by the Company, which amounted to seven shillings and nine-pence per hundred-weight, was considerably reduced in September 1791, yet, from the Company's own account it would appear, that though the saltpetre was put up, in that year, at thirty-one shillings,

shillings, from a larger quantity not being in the market, the Company alone received the benefit, since the average of the sales in that month had been £2. 5*s*, and in September 1792, £3. 7*s*. 10*d.*;—that though Government, in time of war, prohibited the exportation of gunpowder, saltpetre, &c., yet when satisfied for what purposes these goods were to be applied, they had always granted permission for an exportation;—that the powder-mills at Liverpool, Bristol, and Kendal, had no connection with the London Manufacturers, but from their situation, supplied the African markets;—that our Indian Provinces supply every other nation but their own; for foreigners of every description may purchase unlimited quantities of saltpetre at Calcutta, which they can send home in their own ships, and sell at their respective markets, to the injury of our navigation and the industry of Great Britain.

Upon these grounds the Manufacturers entered into a minute examination of the prices of gunpowder, and endeavored to prove, that the accounts given by the Directors were fallacious.

The Manufacturers, upon the whole, were satisfied with the Act of Parliament, which ordered saltpetre to be put up at thirty-one shillings; but they were dissatisfied with the Company, who had frustrated the intentions of the Legislature, by not putting up a sufficient quantity to answer the demand of the market.[1]

 Though

(1) Reply of the Committee of Warehouses, to the Memorial of the Gunpowder-makers of London. (Debrett 1793)

PART I.

Separate claim of the Adventurers in the Southern Whale Fishery.

Though the claim of the Adventurers, in what has been termed the Southern Whale Fishery, did not come under the description of any of the manufacturing and mercantile classes of Opponents to the Company, it may here be introduced, as indirectly connected with the whole.

It ought to be recollected, that some private Adventurers from India had embarked in the scheme of a traffic to the countries bordering upon the Spanish limits, near Nootka Sound;—that the jealousy of this people had led them to a violence, which had nearly brought on a general war between the two Crowns: an arrangement, however, took place, which opened the Southern Whale Fishery to British Adventurers.

The owners of the ships employed in this adventure required, that if the Company's privileges should be renewed, regulations for the Southern Whalers might be enacted, to enable them to enjoy the benefit of a Carrying Trade into the Pacific Ocean, by the way of Cape Horn, to the Northward of the Equator, without interfering with the other branches of the Company's trade:—this claim was referred by the Commissioners for the Affairs of India, to the Court of Directors, for information.(1)

General opinions offered, at the time, upon the whole of these claims.

Upon the general principle of the claimants for participating in the Company's trade, without being sharers in their stock, opinions were given nearly to the following effect.

That

(1) Letters of the President of the Board of Commissioners, to Mr. Baring. (Printed Papers, respecting the Negociation, No. III. Articles 9 and 10.)

That the case, in itself, was novel in its nature, and complicated in its probable effects. That it was novel, that a privilege should be granted by the Legislature, proceeding upon a specific agreement, for a valuable consideration, in which any, but the contributors to this consideration, could benefit by the grant:—no claim for such a participation had, hitherto, occurred in the Annals of Parliament, or in the history of trade:—if the simple case should be stated (without mentioning the necessity of giving every practicable encouragement to the Manufacturers and Merchants, who so fully merited protection), it could not require a moment's reflection to decide:—that it was complicated in its probable effects, because it reasoned upon an agreement which was yet in contemplation only;—that the business was open to the Legislature, to offer conditions to the Company, and the Company were in a situation to accept of them, as far as they might consider them to be for their interest:—and that, at this time, the Company were asking some advantages for themselves, and willing to concede others, for the common prosperity of the Empire:—On the one hand, therefore, it was contended, that either their privileges must be renewed to them, in such a manner as to enable them to discharge their debts, and to carry on their trade connected with the revenues of the Provinces, that is, in such a manner as to preserve their credit, and foster their commercial enterprizes; or, on the other, that they must be given to them (if the claims of the Private Traders were complied with) under such conditions

ditions as would disappoint the expectations of the Public, for a participation in the revenues.

General arguments on the claims of the Merchants of Exeter.

When the Merchants of Exeter asked to be permitted to prepare woollens for the China market, or to send them thither, they did not reflect, that it was of consequence to the Company to have this article prepared in such a manner as to preserve the confidence of the Chinese, which it had required more than a century to gain, and which was so perfect, that the Company's mark or stamp being on the goods, was held to be a sufficient test of their quality, fineness, &c. without examining the bales:—besides, if the Company were to be controlled in the purchase of their woollens for exportation, there is an end of the freedom of trade, which hitherto has been deemed the source from which it springs.

——on those of the Proprietors of the Mines in Cornwall.

If the Company were to be compelled to take tin, copper, &c., in an indefinite quantity, from Cornwall, however it might suit "the necessities or profits of the Proprietors of the "Mines," it might not suit the market in India, or in China, and, of course, not accord with the necessities of the Company;—or if the Proprietors of the Mines were to send ships of their own to China, with their produce, the Company's tonnage must be lessened, in the proportion that the Cornish tonnage was created, and the Company's sales diminished, in the proportion that the Cornish ships brought either raw materials for our manufactures, or articles for our consumption.

If,

If, in the same manner, the Company were to be excluded from the home sale of their Piece Goods, and yet to pay the same duty they now do, on re-exportation, then the trade must cease:—if they were to bring home cotton-wool for the manufactures, and yet to allow the cotton fabrics of Britain to meet them, not only in the foreign European markets, but in India and in China, then industry in India would be checked, and the remittance of portions of the revenue by trade (even without a profit) be at an end.

——on those of the Manufacturers of Cotton.

If the import of saltpetre, one of the staples of Bengal, could be allowed to every country (at least a thousand tons of it), and put into the hands of the Manufacturers of Gunpowder, who draw a most ample profit from their skill and labor, then saltpetre would no longer be an article in the Company's sales; and foreigners, who might bring it home, would have almost an exclusive possession of the trade.

——on those of the Manufacturers of Gunpowder.

If, lastly, the Southern Whalers were to be allowed to rove uncontrolled (and perhaps they might stretch towards India and China), then the trade would, in fact, be laid open, at least so far as the number of these rovers might go:—the consequence would be, that the exporter of woollens might become an adventurer in the cargoes of these rovers; the proprietor of metals, an unproductive exporter and importer in these uncertain bottoms; no India piece goods could be sold in Britain, for the home market; and the Company could have a partial trade only in the foreign markets:—hence it could not be expected, that

——on those of the Southern Whale Fishery.

that the Company, under such conditions, could bring home raw materials to their rivals in the British markets, or that the rovers themselves, whose professed object was fishing, might not be tempted to visit India or China, from motives of interest. In every view, therefore, the case was complicated, and the Public waited with anxiety to discover, whether it was possible to reconcile these jarring interests.

Particular arguments on each of these claims.

We have next to state the substance of the particular answers which, at the time, were made to each of these specific claims.

——on those of the Exeter Merchants.

In reply to the Exeter propositions, it was said, that the complaint made against the Company did not proceed, either from the demands of the Company having become less, or from the trade having shifted from Exeter, and Long-Ells having been taken from another place, but from the demand for Long-Ells having become so large as to raise the price of wool, and that the Exeter Merchants could not meet the Foreign Manufacturers in Europe, who were in competition with them, particularly those of Spain, Switzerland, and Silesia, nor sell at a rate sufficiently low at the Spanish ports, where a preference had been given to the *Sargas* of their own country, over English Long-Ells, formerly sent to South America; but as the *Sargas* had risen in price, from the expence of the long land carriage, between the Spanish manufactories and the sea-ports, the Exeter Merchants hoped to recover that market.

It

It was admitted, as a principle in commerce, that the profit from a manufacture, does not depend so much upon the price given for any one article, as upon the quantity of that article actually sold in any market; the Company, therefore, had to suppose, either that England could not produce a greater quantity of wool, fit for making Long-Ells, than the Exeter Manufacturers required for supplying the Company's demand, or to allow, what the Exeter Merchants wished, that is, to engross the whole profit from dying and preparing the woollens, without having competitors in London.

——on those of the Proprietors of the Mines in Cornwall.

In reply to the Gentlemen interested in the Mines of Cornwall, a reference was made to the quantity of British metals which had been exported, since the Company had introduced the sale of them in the China market, in preference to the tin and copper of Japan, with which that market had formerly been supplied. Calculating, therefore, from their past profits, the Proprietors of the Mines in Cornwall, wished to bind down the Company to accept an indefinite quantity of these metals; that is, they wished to make them the buyers of whatever quantity they could furnish. The plan of having their own ships to carry out their metals to China, supposing no agreement had been made with the Company, could only terminate in their entrusting the sale to the Private Adventurers; but a few experiments would satisfy them, that their produce would not have been received by the Chinese, without being assayed by the

Company, though British metals, or bars of tin, pass current, under the Company's mark or stamp; and that the returns, in raw materials and other articles, would have yielded them an uncertain profit, because this profit was to be divided between them and the Private Adventurer.

It was, perhaps, from these circumstances, that they required the Company to furnish them with tonnage, at a cheaper rate than they themselves could procure it; or that they wished to bind the Company to take an ascertained quantity of metals, annually, at a fixed price.

—on those of the Cotton Manufacturers of Manchester, Glasgow, &c.

The reply to the demands of the Cotton Manufacturers, came partly from the Company, and partly from the Dealers in India Piece Goods. The Directors finding that a claim was to be brought forward by the Cotton Manufacturers, appointed a Select Committee to report on the subject, and the substance of their report was, as follows:

That the distress which the Manufacturers had complained of, in 1788, had not arisen from the Company's exposing to sale any unusual quantity of India Piece Goods, but from the Manufacturers, themselves, having pushed their enterprizes beyond all bounds, upon fictitious capitals. To prove this assertion, they produced a statement of the progress of the Company's sales, compared with the quantity of cotton imported, and the variations which the sales have undergone, for a period of twenty years.

The

The sales of the British Manufactures, they observed, have been in proportion to the increased importation of the raw material; and though it is impossible, perhaps, to produce an account of the value, yet, from the publications of the Manufacturers, themselves, we find, in 1788, the following statement:

In 1783, the value of the manufactured goods was estimated at £3,200,000; in 1787, at £7,500,000. Whether this estimate be correct or not, the progressive improvement, it may be inferred, was great and rapid, and in favor of the British manufactures.

The report, after observing, that no part of the raw material is the produce of Great-Britain, furnished a statement, to shew, that one moiety is the produce of countries or colonies not subject to it, and illustrated this statement by observing, that we were indebted to France, for several millions of pounds weight of cotton, and to Portugal, for a still larger quantity, and, therefore, that the Manufacturer might apprehend a greater danger from foreign competition, than from the import of Piece Goods by the Company.

The Company, in explanation, produced accounts, in 1788, to shew, that seventeen twentieth-parts of the whole of the calicoes imported, were re-exported; and twelve twentieth-parts of the whole of the muslins were also re-exported; realizing, thereby, the tribute which India pays to Great-Britain, through the medium of its commerce:—they thence concluded, that not one tenth-part of the whole of the callicoes, imported from India,

 were

PART I. were consumed in Great Britain, while nine-tenths contributed to the various branches of our commerce and navigation ;—that no means could prevent the foreign trade from India coming to Europe, short of an annihilation of the manufactures of the Natives, who are British subjects ;—that the goods would find their way, by being smuggled into Britain : the sales, for instance, at L'Orient, in 1791, consisted of no less than 717,042 pieces, the value of which, in London, at the same period, would have been £1,228,000 ; and to this might be added, the general importation or consumption of India callicoes and muslins, upon the Continent of Europe.

If, it was added, one Manufacturer in Great Britain, by the aid of machinery, can perform what requires ten, twelve, or perhaps fifteen persons, to execute in India, it would be hard to deprive so many of our own Indian subjects of the means of subsistence, merely to gratify the expectations of others.

The Silk-weavers of Spitalfields, in the same manner, blamed the East-India Company for their imports, but soon found, that their rivals were the smugglers from Lyons. The Dutch, more wise, depressed their woollen manufactures at Leyden, rather than exclude the woollens of Great-Britain, which, for a long time, formed an important article in their Carrying Trade. The Company, therefore, trusted, that after risking their capital, and adding extensive and productive domi-

nions

nions to the Crown of Great-Britain, their commerce to the East-Indies would be left to them entire.[1]

General arguments of the Wholesale Dealers in India Piece Goods.

The reply of the Wholesale Dealers in India Piece Goods was direct, and addressed to the manufacturing towns, which had required the prohibition of this article in the home market :—In general, they pleaded, in opposition to the propositions from Glasgow, Paisley, and Manchester, that however desirable it might be to give every encouragement to our home manufactures, such encouragement must be compatible with the protection of the Merchants, who had vested their capitals in the long established business of purchasing and retailing India Piece Goods, and not less so, with the justice due to the Indian subjects of the King ;—that the Dealers in India Piece Goods, for the home market, had vested large capitals, almost exclusively, in this branch of business ;—that,, as wholesale dealers, they had formed large connections, not only with the retailers of India Piece Goods, but with the retailers of the imitations of them, manufactured in Britain ;—that the Merchants and Dealers in India Piece Goods, had regularly paid the duties, or conformed to the revenue laws of the kingdom ; and that, if any great national advantage required this trade to be abolished, they would rely on the liberal spirit of the British Government for indemnification, but if a demand, only, from certain manufacturers, who, with incredible success, have imitated the Piece Goods

(1) Report of the Select Committee of the Court of Directors upon the subject of the Cotton Manufactures of this Country, February 1st, 1793.

PART I. Goods of India, to prohibit the sale of them in the home market, and, at the same time, to have the duty on exporting them continued, was all that appeared, then the most public reasons alone could justify the Legislature, in listening to such a claim; because it would occasion a reduction of the public revenue of £100,000 per annum;—it would encourage and increase smuggling; and it would depress and annihilate the legal dealers, though subjects of equal importance to the Public as the manufacturers:—assigning, however, every pre-eminence and importance to the Cotton Manufactures which they could desire, the Dealers in India Piece Goods submitted, that if this article should be prohibited, at the Company's sales, for home use, it still would form a part in the private assortment of every retailer:—the Illicit Trader, indeed, would purchase India Piece Goods for re-exportation, but he would send them to countries favorable for smuggling them again into Britain; and if the taste of his customers, or the fashion, called for India muslins, no prohibition could prevent smuggling, and the prices would rise with the magnitude of the penalty.

Certain silk Piece Goods were prohibited for home consumption, and, for that reason, they were more sought after;—Cambrics were prohibited, in like manner, but from experience, the prohibition was withdrawn!

The Dealers in India Piece Goods next stated, that supposing the proposition of the home manufacturer to be complied with, it would not promote his own interest;—that this scheme,

besides,

besides, would be injurious to the revenue, and to thousands of inoffensive people in Derbyshire, Bedfordshire, and in Bristol, and to the colony of Moravians, in Yorkshire, who were employed in adding ornaments of tambour, and other works, to India muslins; and to thousands in the manufacturing towns, who were employed in the same way, on the home fabrics.

It might be true, that the prohibition of Piece Goods, for home consumption, might not, at first sight, appear fatal to the Company, because they must necessarily have a remission of the duties which they now pay on that article; but this measure would raise up competitors in the Clandestine Traders, and make a difference of twenty per cent., at least, upon the whole amount of their sales, or £258,132 per annum on £1,290,661, and yet the Private Traders would bring goods into the market, under the pretext of re-exportation, but, in fact, to be secretly disposed of in the London retail shops.

Every man in this business knew, that the muslins of India, and of the home manufacture, were combined in his assortments;—every dealer in India Piece Goods knew, also, that the high freight, insurance, and interest of capital for two years, laid a duty of eighteen per cent. on his imports; and this, surely, was all the embargo on the sale which the home Manufacturer could, in reason, demand.

The dealer in home-made muslins must confess, that he had his share in the foreign markets, and that the plan proposed would

PART I.

would enable him to meet the Company there, thirty per cent. cheaper than, at this time, he could do:—the object of the Manufacturer, therefore, was plain; he wished to engross the whole of the home market, and to divide the foreign market with the Company, on the idea that, at last, he could engross both markets;—not contented with the enjoyment of the riches, which, twenty years before 1793, he could not have expected, he now would unite with his own, the wealth of India; but it would, indeed, be a poor consolation to the State, if experience should prove these Manufacturers to be in an error, to be obliged to return to the former system, when perhaps it might be too late to regain the mercantile eminence, which a rash experiment had lost to the Public.(1)

The consequences of yielding to these requisitions, it was next said, would be more fatal in India than even in Britain. The Foreign Companies and Adventurers in the East, when they knew that the Company had stopt their purchase of Piece Goods for the home market, and had competitors in British manufactures in the foreign market, would suspend their purchase of muslins in India, till the market fell to so low a rate, that they could carry them to the Continent of Europe, upon terms infinitely lower than any home manufacturer could sell his goods;—the cultivator of cotton in British India, when the weaver could

no

(1) Letter from the Committee of the Buyers of Piece Goods, for Home Consumption, to the Right Hon. Henry Dundas, 6th April 1793.

no longer live by his art, must destroy his cotton plant, and sow grain and vegetables for his subsistence;—the chain between the cultivator and the artizan, being broken, the quit-rent of lands could no longer be paid;—the weaver, who had depended upon a foreign demand, having no stock beforehand, would, in a few months, lay aside his loom;—the very materials upon which our Cotton Manufacturers depend, would, of course, cease to be furnished from the British Provinces, and must be brought through the trade, and from the settlements of rival Indian or European powers; till, at last, these home manufacturers would experience the evils which they had brought on the cultivators of the cotton-plant in India; on the native weavers of piece goods; on the Nation, by a defalcation in the revenues of the Provinces; and on the Company, by whose efforts their skill and industry had originally been called into exertion.

It will readily be allowed, they added, that the profit from the sale of India Piece Goods in the home market, was an inferior consideration to the Public, to that of the prosperity of the manufactures in Britain;—but it ought to be remembered, that the East-India trade forms one great concern, and that the parts of it are so linked together, that the loss of one branch might affect the whole of a commerce, which afforded additions to our home revenues, and employment to our seamen, and which excluded our European rivals from those markets, or levied a tribute upon them, in proportion to the sums they paid for our Indian imports;—upon the whole, that the object of the Legislature would

PART I. be to encourage the home manufactures, by imposing a duty on the industry of our foreign dependencies, but such a duty, only, as would keep both in a fair competition, and neither destroy the one, nor the other.

After adducing these arguments, it was concluded, that the prohibiting the sale of Piece Goods, except plain muslins, exceeding ten shillings per square yard; and wrought muslins, exceeding twenty shillings per square yard, and yet requiring eight per cent. on muslins for re-exportation to a foreign market, open at the same time, to the home manufacturer, would be impolitic and unjust;—that the requiring the importation, duty free, of fine Cotton-wool from India, to be manufactured in Britain, and sent to the East, would cut off from the Hindoo weaver, the export trade to Britain, and reduce him to an accumulation of distress;—and that, lastly, the denying him the aid of the cotton machinery, supposing that his prejudices, or the cheapness of nis labor, would accept of this aid, would be ruining a people, who have furnished to the ancient, and to the modern world, the luxuries of taste and magnificence.

It farther was said, as a particular reply to the Cotton Manufacturers of Manchester, that having obtained a great profit, by imitating the Indian fabrics upon Indian materials, they now asked what the common interest of the Empire could scarcely allow, and what would have tended to destroy the cultivation of the very materials on which they depended;—they required, that British muslins should be received, duty free, in all the ports of

British

British India, that is, that the revenues of the Provinces should be abridged;—they required, that the Company should import, annually, a quantity of fine cotton-wool, and other materials, proportioned to the demand of Manchester, that is, either to raise the price of cotton to the Indian manufacturer, or to deprive him of it;—they required, that all Indian cotton goods should be prohibited to be worn in Great-Britain, and that the importation, for foreign use, should not exceed the average of the last ten years, that is, they would have, exclusively, the home market, and almost exclusively the foreign markets;—not contented with a flourishing trade, they sought the annihilation of the Indian manufacture, in the very art upon which they themselves had grown rich. They would not be satisfied with a moderate tax on Indian cottons, to give a preference in Britain to the home manufactured muslins, but they required, that the Indian fabrics should not be worn in Britain, and that the same tax should be continued, on the re-exportation of them to foreign markets; but, had the Peace continued, they did not reflect, that by the Commercial Treaty with France, the cottons of that country, made from the raw materials of India, might have been imported into Britain, upon payment of a duty of twelve per cent., and that the French might have obtained a preference in our markets, to the exclusion of our own colonies.

With the Glasgow Manufacturers, they would not allow the exportation of cotton machinery, without reflecting, that they could not prevent the best artizans in that line, who are generally

 dissatisfied

PART I.

dissatisfied and extravagant, from emigrating to India, and introducing this machinery, more speedily than the cheap price of labor, or the prejudices of the Natives in India, would probably have called for it. The cultivation and improvement, thus, of the very country from which they were to draw (duty free) raw materials, for the art by which they had themselves become opulent, must be checked and discouraged, to gratify men who had risen to unexpected affluence.

That a Private Merchant should sell his goods for money, or in exchange for other goods, is natural and correct; but, that a Manufacturer, who subdivides labor among individuals, and acquires riches from their labor, should wish to render barren the soil which yields him materials, and could think of making the people wretched who had taught him his art, is scarcely reconcileable to the principles of liberal artizans or merchants.

General arguments of the Committee of Warehouses, in answer to the claims of the Manufacturers of Gunpowder.

In reply to the Memorial of the Manufacturers of Gunpowder, reference was made to the report of the Committee of Warehouses upon this subject. The Memorial of these Manufacturers had been presented to the Board of Trade, and transmitted by it, to the Directors, on the 6th February 1793. The Committee gave it as their opinion, that if the permission to import a thousand tons of saltpetre should be granted, it would establish a precedent, which would apply, with perhaps greater force, to raw materials of every kind. These Memorialists appear to have had in view the establishing of two principles, *viz.* that Great-Britain ought to be the general depôt of saltpetre,

for

for the purpose of supplying all foreign nations with gunpowder; —and that, as a raw material, the importation of saltpetre ought to be duty free, and supplied, at so cheap a rate, as to enable the Gunpowder Manufacturers to bear down every competition.

The Committee contended, that the first proposition was not practicable, and if it were, it could only be accomplished through the medium of an exclusive Company;—that it was true, saltpetre was produced in great abundance, and sold at a very low rate, in Bengal; it was also true, that this article might be produced almost every where, and that, both from prudence and from necessity, in the expectation of a war, Government had prohibited the exportation of saltpetre and gunpowder.

After exhibiting an account of the quantity of saltpetre imported into Great-Britain, between the 5th January 1780, and the 5th January 1793, and the countries from which the same was imported, and an account of the quantity of saltpetre exported from Great-Britain, between the 5th January 1780, and the 5tb January 1791, and the countries to which it was exported, to shew that, notwithstanding the great variation in the price of saltpetre, the exportation had been trifling and accidental, excepting only in one of the articles to Ireland, and the other to Africa, they concluded, that the Company offered saltpetre at a price below its cost, with the object of enabling the Manufacturer to make Great-Britain a depôt of that article:—as

to

PART. I. to supplying all foreign nations with gunpowder, the Committee conceived it to be impracticable.

To the second proposition of the Manufacturers of Gunpowder, the Committee replied, that though they did not combat the general principle, that the importation of raw materials ought to be free, yet they contended, that commerce was so combined and interwoven with the revenues, and with the existence of our empire in India, that the separation of them would become impracticable, as the trade could only be carried on, with advantage to the Public, through the medium of an exclusive Company.

The Committee then pointed out, that by a late Act of Parliament, the Company were compelled to offer saltpetre for sale, at a price which left a loss, and that this operated as a bounty to the Manufacturer; from which circumstance they deduced, that if a free importation should be allowed, the Company neither could extinguish their debts, nor meet the expectation of the Public on the subject of the revenue. Digressing then from this general topic, the Committee examined the reasons which could be adduced, for granting this indulgence to the Manufacturers of Gunpowder, and furnished a statement of the prices of saltpetre and gunpowder, from 1783 to 1789, inclusive, and an account of the prices given by the Manufacturer; the prices charged to the Company, and the prices charged to the Owners of Ships; and then stated the value of the materials

of

of which a barrel of gunpowder was composed, making allowance for the loss of weight in refining the saltpetre, the sale price and discount, in 1783, and the profit for home consumption, or for exportation; and from these documents they inferred, that there was no illicit trade in this article, or that the foreign manufacturer did not interfere in the sales of this country. Referring, lastly, to a late Act of Parliament on the subject, which directed, that the Company should put up to sale five thousand bags more than the average of what had been sold at the four preceding sales, at the price of thirty-one shillings per hundred-weight, in time of peace, and forty shillings in time of war, they annexed the particulars of the quantity which had been offered for sale, and of the quantity sold, for thirty years past, and concluded, that the Company furnished more than was sufficient for the demand. These circumstances, they observed, would shew, that when the Manufacturers applied for a reduction in the price, it was accompanied with an expectation, that the reduction would increase the quantity sold.

The Manufacturers demanded a hundred thousand bags, or about seven thousand five hundred tons. An account, in answer, was given, of the quantity of saltpetre put up, sold, and refused, with the average price of each sale, and each year, for the last thirty years, which, the Committee concluded, would best explain the actual state of the dispute.[1]

Having

(1) Report of the Committee of Warehouses on the Memorial of the Manufacturers of Gunpowder, and other Commodities made from Saltpetre (1793)

PART I.

General reference to the subsequent negociation.

Having thus brought under review the propositions of the Opponents of the Company, for a participation in the trade on their own risk, without being sharers in the stock, and having examined the articles in detail, in case this participation could not be obtained, *viz.* the conditions suggested respecting the Company's exports, imports, rates of freight, and home sales, it may be proper to leave these subjects, as well as the scheme of having Agents for the Private Merchants trading to India or to China, through the Company's tonnage, till we come to treat of the actual progress of the negociation;—the propositions will then come into a more specific form, as they were examined, discussed, and modified by Government, in consequence of a fuller production of the whole evidence and statements, of the arguments, in the Courts of Directors and Proprietors, and communications between the Directors and Government.

PART II.

REPORT ON THE NEGOCIATION, BETWEEN THE PUBLIC AND THE HONORABLE EAST-INDIA COMPANY, FOR THE RENEWAL OF THE COMPANY'S EXCLUSIVE PRIVILEGES OF TRADE, FOR TWENTY YEARS, FROM MARCH 1794; AND OUTLINE OF THE EXISTING SYSTEM OF INDIAN AFFAIRS, AS ESTABLISHED AT THAT PERIOD.

PART II.

Difficulties in devising a system of Government and of Trade for British India.

THE fluctuation of opinions on the subject of Indian Affairs, which we have endeavoured to detail, will discover the difficulties under which Government were placed, in devising a system that would accommodate the interests of the East-India Company to the expectations of the commercial and manufacturing bodies in Great-Britain and Ireland.

O   The

The Report on the important and national subject of Indian affairs in 1793, may be comprehended under the following heads,

1st. *The discussions between Government and the East-India Company, previously to the subject of Indian Affairs being brought before Parliament.*

2d. *The proceedings in Parliament, connected with those of the East-India Company, while the renewal of the exclusive privileges was a subject of deliberation and decision.*

3d. *Digest of the Act, 33d George III. Cap. 52, establishing the existing system of Indian Affairs.*

Preliminary information afforded by the Court of Directors.

1. The progress of *the discussions, between Government and the East-India Company, previously to the subject of Indian Affairs being brought before Parliament,* was, as follows:

In September 1791, the Court of Directors appointed a Select Committee, to take into consideration the export trade from Great-Britain to the East-Indies :—This Committee ascertained the quantity and value of the exports from Britain to India, and the profit or loss on the sale of them ;—the exports, in private trade, allowed to the commanders and officers of the Company's ships ;—the illicit trade to the East-Indies ;—the means of computing the quantity of tonnage unoccupied in the Company's ships, on the outward voyage ;—and the endeavors of the Company to extend the consumption of British manufactures and produce in the East-Indies.

The statements upon these subjects were illustrated with general remarks on the exports to India, by the Company and

by

by individuals ; and with an examination of the schemes which might occur to Private Merchants, seeking to extend their trade to countries in which the Company's efforts had, hitherto, proved unsuccessful, particularly to Japan and Persia: for the Company had foreseen that speculators, unacquainted with their successive efforts, might calculate upon the commercial advantages of an open trade to those countries.

The Company also appointed Select Committees, very early in the Session of Parliament 1792-3, to report on the subject of the Cotton Manufactures of Britain, in addition to their memorial, on that subject, in 1788 ; on the claims which might arise, on the part of Ireland, for a participation in the India and China trade ; and on the references from the Board of Trade, on the importation of saltpetre, in consequence of repeated applications from the Manufacturers of Gunpowder.

With such evidence before them, the Public perceived, that the Company were disposed to afford the fullest information respecting the revenues and trade of India, and the trade to China; and that they were prepared to meet their opponents, upon any propositions, regarding the East-India Commerce, which might come under the consideration of Parliament.

The Commissioners for the Affairs of India had also been attentive in bringing evidence before the Public. By the Commissioners for the Affairs of India.

The President had, during six successive sessions, submitted to the House of Commons, statements of the situation of Indian Affairs, distinguishing the progress of the revenues of

 India,

PART II. India, and the charges and amount of debts and interest annually arising on them. This information he continued, on a more extensive scale, in the month of February 1793, at the time when the opinions of the Public were fluctuating, between the opposite systems of an open, and a regulated trade.

Every possible information, thus, was afforded, which could prepare the Proprietors of India Stock, the various mercantile and manufacturing bodies in the kingdom, and the Public, in general, for judging of the system required for Indian Affairs.

Conduct of His Majesty's Ministers on opening the negociation with the Company.

The President of the Board of Commissioners for the Affairs of India, addressed the Court of Directors, in the month of January 1793, expressing his desire to have the most full discussion with the East-India Company, upon the different points, in the important and extensive subject of their affairs, with a view to submit propositions respecting them to Parliament, and allowed them to give the communications any form which might best suit the freedom of enquiry requisite on this public measure.(1)

The Directors refer the business to the Committee of Correspondence.

The Court of Directors, on receiving this communication, referred the management of the business to their Committee of Correspondence, with instructions to make reports respecting their proceedings, when they might deem it necessary:—This Committee,

(1) Letter from the President of the Board of Commissioners to the Chairman of the Company, dated 14th January 1793. (Printed Papers respecting the Negociation for a Renewal of the Company's exclusive Trade, No. I.)

Committee, in consequence of the powers vested in them, transmitted to the Board of Commissioners, hints for the arrangement of the negociation, for a renewal of the Company's exclusive privileges, *viz.*

Hints offered by this Committee, as the basis of the negociation.

That the Government of India, with the conduct and management of the territorial Revenues, should be continued under the system of 1784, as explained and improved by subsequent Acts of the Legislature;—that the Company's trade should also remain, and be carried on, under the management of the Court of Directors, with exclusive privileges;—that as there were several points, in which the legal powers of the Company were deficient, for common purposes, provision should be made to remedy this inconvenience, under separate heads, or in detail, or that general powers should be vested in the Government in India for this purpose, to a defined extent;—that the commercial dividend of eight per cent. per annum, should be secured to the Proprietors;—that a part of their bonds, and some part of their debts should be converted into a regular fund or stock, redeemable by instalments, or otherways; and that, after providing, in a manner satisfactory to the Public, sufficient sums for liquidating their debts, and for the currency of their affairs, they should be permitted to make such an addition to their dividends as might be equitable, but, at the same time, to participate in any surplus with the Public.

The President of the Board of Commissioners' observa-

In reply, the President of the Board of Commissioners stated his general ideas upon these subjects, reserving the privilege of re-considering

PART II. re-considering the various points, if, upon farther evidence, it might be necessary to alter his opinion.

tions on these hints.

On the subject of the Government of India, and the management of the territorial Revenues, he was of opinion, that it would be better, and more wise, they should be conducted by a Court of Directors and a Board of Commissioners, than to substitute a new system, originating in plausible and untried speculation.

On the continuation of the Company's exclusive privilege, he was of opinion, that it might be continued "*a Regulated Monopoly*" (explaining that term to be, a trade, which should insure to the Merchants and Manufacturers of Britain and Ireland, an export, to the full extent of the demands of India, and an import of raw materials from India, suited to the wants of the Manufacturers), and that the produce should be brought home, at a rate as reasonable as the circumstances of the two countries would admit. In illustration, he considered it to be a leading principle, that every thing should be done by the East-India Company, that might be possible, to bear down the Clandestine Trade; and, for this end, he suggested that an additional tonnage, adequate to the exports from Britain and Ireland, and to the imports from India, should be furnished, at a rate of freight, that would not bring any improper burden on the manufacturing interests; as it would be admitted, that the Company could afford to be the carriers, both of Indian and European goods, cheaper than any individual merchant could do on his private capital.

Upon

On the subject of the regulations which attached to India and to Europe, he was of opinion, that from the existing state of the Company's affairs, after discharging annually, at least, £500,000 of their Indian debt, and after paying charges of merchandize, dividends upon stock, and every other burden at home, there would remain a surplus of £700,000;—that this surplus ought to be disposed of, in raising the dividend from eight to ten per cent.;—that the debt abroad should be reduced to the sum of £3,000,000, at which it ought to be continued;—that the debt of the Company, at home, including the debt transferred from India, would not exceed the sum of £4,000,000; excluding from it, however, first, a sum equal to the debt due by Government to the Company, leaving that to be set off against the annuity due, or that might be sold by the Company, and next leaving out the capital of India Stock, £5,000,000, and such floating debts as might accrue in the ordinary currency of the business, amounting to £2,454,579, because a full equivalent for both of these, would be found in the assets of the Company, at home, afloat, and abroad, amounting to £12,913,854, exclusive of the debts owing to the Company in India;—taking it, then, for granted, that the Company would not think of reducing this debt lower than £1,500,000, which they could circulate in bonds, the whole of the debt, for which provision was to be made, was £2,500,000.

Two methods for discharging this debt were obvious, either by adding one million to the Capital Stock of the Company, by which

PART II.

which £2,000,000 sterling would be raised, for the extinction of the debt, or by funding the debt, and paying it off by instalments. The first method he preferred; and on the whole, under all these circumstances, in connexion with the benefits which the Company had derived from the Commutation Act, he concluded, that the Public was warranted to expect a sum of participation, not less than £500,000 per annum, if that sum should remain, after answering the other claims, to which a preference should be allowed.(1)

The Court, on the first view of these conditions, and to prevent an improper use being made of them, sent an advertisement, comprehending the substance of them, to the Bank and Stock Exchange, and ordered it to be inserted in the Newspapers, that the Proprietors might have the earliest and fullest information of this first stage of the negociation.(2)

Reply of the Committee, to the observations of the President of the Board of Commissioners.

The Court, on this occasion, framed observations on the different points in the preceding communication, of which the following is the substance.

The general condition, respecting the Government and Revenues, the Court received with satisfaction; but they submitted, that the Commerce and Revenues of India could not be separated, with safety to the Empire;—that a description of ships, built,

(1) Mr. Dundas's Letter to the Chairman (Mr. Baring), 16th February 1793. (Printed Papers respecting the Negociation, No. I.)

(2) Proceedings of the Court of Directors, 17th February 1793. (Printed Papers, No. I.)

built, equipped, armed, &c., would be required for this commerce, which could not carry exports and imports at the cheapest rate of freight, as the Company considered the price paid for them, to be a sacrifice of their commercial, to their territorial interests; instead, therefore, of entering into an indefinite engagement, they offered to furnish, every season, for the accommodation of British and Irish exports, four ships for Bengal, two for Madras, and two for Bombay, of eight hundred tons each, at the freight of £10 per ton, weight or measurement. Recruits, however, were not to be sent to India on these vessels, and the Court expected that an enumeration of the articles to be considered as manufactures should be made, from which all naval and military stores were to be expressly excepted.

On the subject of the import of raw materials, to the extent of the manufactures exported, they submitted, that a correct description of what was to be deemed raw materials should be given, because this indefinite term might embrace a considerable portion of the whole investment, as four ships could bring a moiety of the Company's most valuable imports. On this account, they would prefer authorizing their Presidencies, to grant bills on the Company, at the exchange of two shillings the rupee from Bengal, two shillings and three-pence from Bombay, and eight shillings the pagoda from Madras. If, from unforeseen circumstances, their Presidencies should be unable to grant such bills, then individuals might be at liberty to send home such articles, as should be specified to be equal in amount

 of

PART II. of tonnage to their exports, and at the freight of £12 per ton, weight or measurement; the goods, however, to pass through the Company's warehouses in London; and this rate they affirmed to be lower than what was paid at Ostend, and trusted that it would bear a proportionate advance in time of war.

On the subject of the actual situation of the Company's affairs, they admitted that, in time of peace, the annual surplus would probably exceed £1,200,000;—that £500,000 might be annually applied to the liquidation of the Indian debts, if there should be a sum sufficient for that purpose; and that a sum, not exceeding £500,000, should be participated annually with the Public; but they thought, that the liquidation of the debts in India must, for the present, operate, in some degree, upon this participation:—they considered, that the Separate Fund, or cash of the Company, which belonged solely to them, would remain as their property, and form no part of the present arrangement. By the operation of the Commutation Act, they admitted, that the Company had reaped material advantages; but contended, that the Public had benefited to an extent much beyond £1,000,000 sterling, annually, in the balance of trade, which had been retrieved from smugglers, and from Foreign Companies, and concluded, on the whole, with acceding to the term of twenty years, to commence from the expiration of their subsisting term.

Their opinion on the conditions re-

Some difficulty arose, at this juncture, respecting the trade to China, in the event of the Embassy of Lord Macartney being

PART II.

quired for the Company, in the event of territorial acquisitions from the Chinese.

being attended with success. The Directors gave it as their unanimous opinion, that any interference with the exclusive trade to China would be attended with the most injurious consequences to the British Nation; and that if any cession should be obtained, distinct and separate from the Continent, and wholly free from the authority of the Chinese Government, then British and Irish manufactures might be sent, on freight, to such settlement, on the Company's ships, consigned to their super-cargoes, but that any intercourse, farther than the sale of such exports by the Company's servants, and granting bills, at the actual rate of exchange, for them, by persons not under the covenants of the Company, would be attended with the worst consequences.(1)

On the 22d of February, a General Court of Proprietors was held, when the substance of the transactions, now detailed, was laid before them by Mr. (afterwards Sir Francis) Baring, the Chairman, with the object of receiving a sanction from that Court, of the principles upon which the Directors had entered on the negociation.

The only objections to it were, that the Company's rights to the territories had not been admitted in the propositions;—that if the collective assets, or commercial claims of the Company were worth twelve millions, ten per cent., or the legal interest of this sum, was not a commercial dividend;—and that the debts

 should

(1) Letter from the Chairman, Mr. Baring, to Mr. Dundas, 21st Feburary 1793. (Printed Papers, No. I.)

should, in part, have been liquidated, before a claim of £500,000 for the Public, could have been made, this being five parts to the Public, and one part only to the Company.

The answers given to these objections were, that as the exclusive privileges were to be renewed for twenty years, the rights of the Company to the territories were left open;—that Government was not to have more than £500,000 per annum, whatever the surplus might be, and if there should be a less surplus, Government would receive a less amount.

Substance of the opinions of the Court of Proprietors on these subjects.

The Court of Proprietors, without giving the sanction to the Directors which had been moved for, adjourned to the 24th February, when a motion was made, " That it be referred back " to the Court of Directors to continue their negociation for " carrying those principles into effect, this Court relying on due " attention being paid to securing to the Company the estimated " annual surplus in England, and for that purpose, by proper " regulations, to simplify and render the trade, to be allowed to " individuals, as plain and free from dispute as may be, and also " to guard the exclusive trade of the Company from injury and " innovation; and the said Court of Directors are, from time " to time, to report their proceedings to the Court of Proprie- " tors."

A debate arose on the question, " How far the adopting " this motion would pledge the Court to sanction the future " measures of the Directors?" It was, in general, agreed, that the adopting the motion was only approving of the principles

upon

upon which the negociation had commenced, without fettering the Directors in the progress of the treaty with Government, to which such approbation did not extend.

On the 8th of March, another General Court was held, when the Chairman stated, that the Directors had prepared a Petition to Parliament, for enlarging the term of their exclusive privileges.

Petition of the Company to Parliament for a renewal of their exclusive privileges of trade.

The Petition (after recapitulating the substance of the Act, the 21st Geo. III, " for establishing an agreement with the " United Company of Merchants trading to the East-Indies ") represented to the House of Commons, " that the system esta- " blished by this Act, for the Government of the territorial " acquisitions in the East-Indies, for the management of the " revenues, and for conducting the affairs of the Company, " aided by the regulations introduced in subsequent Acts, had " been found by experience to be adequate to these ends ;—that " as this system had proved equally advantageous to the Com- " pany, and to the Public, the Company prayed that leave might " be given to bring in a Bill, for enlarging the term of their " exclusive trade, and for continuing in them the Government " and management of their territorial acquisitions and revenues, " in the manner prescribed by this, and by subsequent Acts of " Parliament, without prejudice to the rights of the Company, " or to the claim of the Public, as in a former act had been " provided."(1)

Matters

(1) Petition of the East-India Company to the House of Commons, for enlarging the term of their exclusive privileges, dated 6th March 1793. (Printed Papers, No. II.)

PART II.

Conference, between His Majesty's Ministers and the Committee of Correspondence, on this subject.

Matters being brought to this point, a conference was held, on the 12th of March, between the Chancellor of the Exchequer, and the President of the Board of Commissioners, on the one part, and the Committee of Correspondence on the other, to settle the regulations, under which the exclusive trade of the Company was, in future, to be conducted.

Opinions of the Committee upon this occasion.

The Committee, in a report dated the 13th March, stated the opinions of His Majesty's Ministers to be;—that the exports and imports, to and from India, were to be extended by all possible means;—that the exports from Europe were to be combined, in a certain degree, more or less, with the import of goods from India;—that measures were to be devised, to convert the Clandestine Trade into a fair and legal traffic, through the medium of the Company, and that the charges of seven per cent. which the Proprietors of Private Trade pay to the Company, were to be moderated.

To these principles the Committee not only had assented, but were ready to second them, by every effort in their power. They represented, however, that whatever might relate to the liquidation of their debts, and to the expectations of the Public, had proceeded upon the faith, that the exclusive trade was to be continued, and that it was upon this ground, the Court of Proprietors had approved of the principles upon which the negociation had been opened.

Doubts, however, might arise, whether the quantity of tonnage offered by the Directors was sufficient?—whether the

rate

rate of freight and the rate of exchange were satisfactory?—and whether it would be right to prohibit persons, exporting manufactures, to invest the proceeds in the produce of India?

In explaining these doubts, the Committee reported, in general, that His Majesty's Ministers seemed to think, the quantity of tonnage would be sufficient for some years;—that, as the rate of freight was less than what it would cost the Company, and less than what individuals paid at Ostend, and as the exporters would obtain returns, through the medium of the Company's cash, at a more beneficial rate of exchange than foreigners could procure, they were of opinion, the Clandestine Trade would be effectually checked.

The Committee subjoined, that a distinction ought to be made, between trade that is *foreign*, and trade that is *clandestine*:—the former, it was not possible, or desirable, to suppress; and the latter could only be completely controlled, by restraining all exportation from the British territories in India, except through the medium of the Company, by which both Foreign and Clandestine Trade would be diminished.

The Committee then enumerated the articles which composed the bulk of Clandestine Trade, outwards, *viz.* naval and military stores, liquids, and metals:—the first they considered to be out of the question, and the second nearly so; and with regard to the metals, they could not be taken on the same principle as manufactures, because the value of metals is so great, that if individuals could send them out, in any quantity they chose, then the

PART II.

the bills on the Court of Directors, for Copper alone, would bring distress on the Company's engagements at home.

The rate of exchange which they had offered, they considered to be a liberal and a full answer to this question, and to any objections which the Manufacturers could make, in support of their scheme of having persons, as Agents in India, not under the covenants of the Company, to restrain their transactions. After stating the difficulty of allotting the tonnage homewards, in return for the exports, the Committee concluded by a reference to the former letter of the Court of Directors to the President of the Board of Commissioners, in which an enumeration of the imports for private trade was required, without which the exclusive privilege of the Company would be lost, as they would have to provide the private merchants and manufacturers with freight, at a cheaper rate than they could procure it elsewhere.(1)

Conference, between His Majesty's Ministers and the Committee of Correspondence, on the subject of the Clandestine Trade.

On receiving this report, His Majesty's Ministers desired a conference with the Committee of Correspondence, and intimated, at the same time, that a letter from the persons connected with the Clandestine Trade (of which a copy had been sent to the Chairman) contained matter which required much elucidation ;—that, upon national grounds, Government considered the subject of Clandestine Trade to be of great importance,

(1) Report of the Committee of Correspondence, dated 13th March 1793. (Printed Papers, No. II.)

portance, and were at a loss how it was possible, if the facts asserted in the letter on the Clandestine Trade were true, to bring forward Indian affairs in Parliament, without some provision being made on this particular point, such as "that it should be "lawful, in future, for British subjects, and others living "under the protection of His Majesty, in India, or elsewhere, "to purchase goods from, or sell goods to, the subjects of all "nations, without exception, or to act for them on agency.(1)"

Opinions of the Court of Proprietors on this subject.

A Court of Proprietors was held, on the 21st March, when the Chairman stated, that in the negociation with Government, the Directors were not, as yet, enabled to state any new matter to the Court, which had not already been under their consideration;—that the President of the Board of Commissioners had delayed introducing his propositions to the House of Commons, on the commercial concerns of the Company;—and that he meant, first, to bring forward his propositions relative to the political government of India, but intended merely to submit them to the House, as subjects for consideration. In this stage of the business, therefore, the Chairman wished the Court of Proprietors to adjourn for a few days.

The clause, however, as proposed by the persons connected with the Clandestine Trade, to have Agents in India, produced considerable anxiety, and difference of opinion, among the Proprietors; a proposition was therefore made, that this clause

Q should

(1) Letter from the Right Honorable Henry Dundas to the Chairman, 18th March 1793, with Copy of the proposed clause. (Printed Papers, No. II.)

PART II. should be permitted to be inserted in the proposed Act. This the Chairman considered to be improper, till it could be laid before the Proprietors, with the observations of the Court of Directors upon it.

It was the opinion of some of the Proprietors, that if the resolutions, intended to be submitted to Parliament, should not previously be known to, and discussed by the Court of Proprietors, it would be difficult to have any of them altered, after they had been formally adopted by the House of Commons.

This circumstance led to a train of detached observations on the rate of freight. It was, in general, contended, that the freight ought to be as low as would enable the British Merchant to trade to India;—that the shipping ought to be taken up on contract, and the preference given to the lowest bidder;—that the foreign trade to India would be of advantage to the public revenue;—that the Company might be considered as holding an Empire, and acting as Agents for the Public, and accountable receivers of the revenues of the British possessions;—and that the commercial benefits (the China trade being kept out of view) were but of inferior consideration to the political advantages.

In reply, it was said;—that the rate of freight proposed was lower than could be had at Ostend;—that it was not meant to monopolize the shipping, for the benefit of the old shipping interest;—that the commercial interests of Britain with the East were

so

so interwoven with the exclusive privileges of the Company, as well as with the political importance of India to Britain, that it was impracticable to separate them ;—that while a due regard should be had to the interests of the British Merchant and Manufacturer, the prosperity of our territorial possessions in India, and the increase of our commerce, formed only one subject ;—that the commercial transactions of the Company, as the medium through which our produce was to pass to the East, and the produce of the East to have a transit to England, were inseparable from the political prosperity of our Provinces; or, in fact, that they formed the value of the Provinces to the Empire ; hence the value of the revenues of India to the State depended upon the commercial exertion of the Company ;—and that, lastly, to satisfy all parties, a clause ought to be introduced into the new Act, for regulating the price of the freight to be paid on the export of British manufactures.

On the subject of the propositions, by the persons connected with the Clandestine Trade, it was in answer asserted, that such a clause would be destructive of the Company's exclusive trade, and deprive them of the advantages which they had enjoyed, under the sanction of their original charters from the Crown, and repeated Acts of Parliament.

— and on the Separate Fund.

On the subject of the Separate Fund, it was asserted, that when the Company agreed to yay £400,000 to Government, it was settled, that £288,026 of their own property should be at their disposal ;—that, on this subject, nothing should be left

PART II. undefined, and that the Directors ought to consider what would be the best mode of securing to the present Proprietors the interest of this Separate Fund.

The Court, after hearing these observations, adjourned to the 27th of March.

Opinion of the Committee of Correspondence on the subject of Private Trade.

The attention of Government, was, in this stage of the negociation, fixed on the numerous claims of those who considered their interests to be implicated in the decision of the Legislature;—it will, therefore, be proper to give the view of each, in succession.

On the subject of Private Trade, the Committee of Correspondence represented, that it would not be reasonable and just to the Proprietors, to reduce the charges below five per cent., which amount, it was to be recollected, included every expence, *viz.* that of landing, of housing, of delivering goods, of warehouse rent, and of public sale.

—on the Rate of Freight.

On the subject of Freight, the Committee maintained, that if they engaged ships at £20 per ton, it would cost them more than £22; but if the Company should be desired to make a farther sacrifice to the manufacturing interests, the Directors would recommend to the Proprietors, to accept of £20 per ton, in time of peace, on condition that this sum should be divided into £8 for the outward freight, and £12 for the homeward freight. If £5 outwards, should be fixed on, then individuals might fill up the tonnage, with profit to themselves only, and try to bring home their returns on foreign ships; if

they

they could find a cheaper freight;—a circumstance which, instead of diminishing, would tend to increase the Clandestine Trade, though all parties were desirous to suppress it.(1)

— on the Shipping Interest.

On the claims of the Shipping Interest, the President of the Board of Commissioners gave it as his opinion, that, as he had discouraged every suggestion, tending to set aside the valuable capital employed in the shipping interest of the Company, so he thought that the subject could not be a matter of Parliamentary arrangement; and therefore recommended it to the discretion of those who managed the commercial interests of the Company, that, on the one hand, the freight should be settled on fair and equitable terms, and, on the other hand, that persons, who had embarked their property in the shipping concern, should not be kept in constant agitation, by discussions on the tenders of speculators in this branch of the business.(2)

Claims of the manufacturing and mercantile bodies.

The claims of the different manufacturing and mercantile bodies, next pressed upon the notice of Government. Some of them (as stated in Part I.) had proceeded upon the vague resolutions which had been previously circulated, to influence the public opinion; others of them upon the idea of increasing the quantity of exports on the Company's ships, on a freight more reasonable than individuals could furnish it. Each of these claims

(1) Letter from the Chairman to the President of the Board of Commissioners, 21st March 1793. (Printed Papers, No. III.)

(2) Letter of the President of the Board of Commissioners to the Chairman, dated 23d March 1793. (Printed Papers, No. III.)

claims had been laid before the Directors, for their consideration, and the Court were required to afford their observations on this subject, that upon an impartial review of the situation of the Company, and of the expectations of the Claimants, Government might be enabled to frame propositions for the consideration of Parliament.

The resolutions, and the substance of the memorials offered in explanation of them, before the opening of the negociation, have already been examined. The different mercantile and manufacturing bodies, now became more moderate in their demands, and seemed to hold out terms more compatible with the continuation of the Company's exclusive privileges;—it remains, therefore, to advert to them under this new aspect, first in the order in which they came before His Majesty's Ministers, and next, as they were matters of observation by the Court of Directors. In this way, the result will be discovered, in the resolutions upon the whole subject, transmitted by the President of the Board of Commissioners to the Chairman, and Court of Directors, for their examination, and that of the Court of Proprietors, as well as the substance of the opinion of those Proprietors, on the various points on which they and the mercantile bodies differed.

Demands of the Proprietors of the Mines in Cornwall and of opinion of His Majesty's Ministers on them.

1. The Gentlemen interested in the Mines in Cornwall (as has been noticed in Part I.) required, that an option might be given to them, either to sell their produce to the East-India Company, or to export it, on freight, in the Company's ships, or in

in ships hired bv themselves; with an option, also, to have their returns, either by payment of the sale amount into the Company's treasuries, and to receive bills on the Court of Directors at the current rate of exchange; or, by the import of raw materials, on freight, on the Company's ships, or in ships hired by themselves; and, also, that the China market might be opened to them.

When the President of the Board of Commissioners, transmitted Lord Falmouth's letter, on this subject, to the Court of Directors, he, at the same time, intimated to his Lordship, that the Company were willing to bind themselves, to export eight hundred tons of tin, annually, at the rate of £72 per ton, provided they could find a sale for it, in the Indian or Chinese markets; and gave it as his opinion, that the Company should be relieved from this obligation, to the extent of four hundred tons, or a lesser number of tons, if, at the end of each successive four years of their term, they should be able to prove, to the satisfaction of the Commissioners for the Affairs of India, that the markets abroad did not admit of a sale, to the whole amount of the stipulated quantity.(1)

—— of the Exeter Merchants, and opinion of His Majesty's Ministers on them.

2. The Merchants of Exeter represented, that the Company's annual exports of Long-Ells had, within the last few Years, increased from £60,000 to near £400,000;—that the price of wool, in consequence, had advanced to such a degree, as to operate as a bounty on the rival manufactures of neighbouring states

(1) Letters from the President of the Board of Commissioners to the Chairman, dated 23d March 1793, and to Lord Falmouth, dated 22d March 1793. (Printed Papers, No. III).

PART II.

states, so that the European demand for this article, at Exeter, was diminishing, while that for China was increasing, and raising the price, a circumstance which had cut them off from the European demands;—they required, therefore, that the Long-Ells might be prepared and dyed at Exeter, instead of being prepared and dyed in London, which encouragement, if granted, would turn the price in their favor;—and, on the whole, that they might have a participation in the export trade to China.

In the letter transmitting this Memorial to the Court of Directors, the President of the Board of Commissioners observed, (as on the preceding article) that it was impossible to bring forward the grievance, as a matter of Parliamentary arrangement; but if the Company could give the Manufacturers a participation in the dying business, it would be worthy of their liberality, as an encouragement to a branch of British industry.[1]

—— of the Southern Whalers, and opinion of His Majesty's Ministers on them.

3. The Adventurers in the Southern Whale Fishery required, that permission might be given to them to extend their range into the Pacific Ocean, by the way of Cape Horn, to the Northward of the Equator.

In conveying this requisition to the Chairman, the President of the Board of Commissioners suggested, that it would be proper for Government to know what the existing conditions were,

(1) Letter from the President of the Board of Commissioners to the Chairman, transmitting a Memorial from the Merchants of Exeter, dated 23d March 1793. (Printed Papers, No. III.)

were, under which the Southern Whale Fishery had been conducted, in its relation to the East-India Company.

The Chairman replied, that it was his decided opinion, the privilege which the Southern Whalers enjoyed, could not be enlarged, without extreme danger to India, and to the trade to China, as these rovers might visit the Coasts of India or China; and that it was necessary to prevent all communication between them, and the Settlement at Botany Bay.(1)

—— of the Cotton Manufacturers, and conduct of His Majesty's Ministers respecting them.

4. The requisitions of the Cotton Manufacturers of Manchester, were next conveyed to the Chairman, with the answers which had been made to their Delegates, in a conference between them, and the King's Ministers. Their first demand was, that the freight outwards should not exceed £4 per ton, and homeward £12 per ton; to which the answer was, that, under all the circumstances of the East-India trade, Government could not urge the Court of Directors, to go lower than £5 for the export, and £15 for the import. The next demand was, that the Manufacturers of this kingdom should be exempted from all import and export duties in India. It was answered, that it was reasonable the Company should be paid the expence of pilotage, and other incidental charges; and if the present duties exceeded what was necessary for these purposes, they should be lowered to that standard. The third demand was, that all goods of

 Private

(1) Letter from the President of the Board of Commissioners to the Chairman, on the subject of the Southern Whale Fishery, 23d March 1793, and Answer of the Chairman, 29th March 1793. (Printed Papers, No. III.)

Private Trade, particularly those for home consumption, should be delivered when required, the freight and duties being first paid. It was answered, that as this requisition referred to raw materials, proposed to be brought home in return for exports from Great-Britain, and not as articles of commerce, exposed at the Company's sales, the Directors did not see any difficulty on the subject, Government having recommended it to their liberal consideration. The fourth requisition was, that the China market should be opened, for the import of every species of British manufactures, or that they might be sent from India, in case it should not be permitted to trade direct to China. The answer was, that the trade between India and China, from the nature of it, could not be carried on in any other way, than by the ships employed in the country trade, which were at liberty to carry to China any article they could find in India, and British exports among others.

The following propositions were made, at this period of the negociation, by a more numerous body of Delegates from Manchester, and the following answers were given by Government.

Their first proposition was, that the East-India Company should not, in future, expose to sale any cotton goods, manufactured in the East-Indies, except for exportation. It was answered, that the Company seemed to be so little concerned in this particular, that the proposition could not create any difficulty; but that Government were of opinion, the Manufacturers of Great-Britain would be infinitely more in danger of suffering from

from a total prohibition, than they would be from a legitimate trade in this article, and had desired the Manufacturers to suggest the most effectual regulations for preventing smuggling.

The second proposition was, that the Company should bring home a given quantity of fine cotton-wool, and other raw materials, for the supply of British manufactures. It was answered, that both Government, and the Company, would promote this importation, and that a certain proportion of tonnage should be allotted, annually, to individuals, to supply themselves with raw materials, through the agency of free merchants, appointed, as at present, by the East-India Company, and under the control of the Presidencies in India.

The third proposition was, that the East-India Company should not expose to sale, in any one year, a greater quantity of manufactured cotton goods of India, than they had done on the average of the last ten years. It was answered, that limiting the Company's imports would only divert the trade into foreign channels, at the expence of the commerce of Great-Britain, without benefiting the Manufacturers.(1)

The requisitions from Glasgow nearly approached those from Manchester, respecting India Piece Goods, but went farther in regard to the conditions, under which this body were disposed to acquiesce in the renewal of the Company's exclusive privileges. They required, that the term of these privileges should be considerably

(1) Minutes of Conferences between His Majesty's Ministers, and the Delegates from Manchester, 9th and 20th March 1793. (Printed Papers, No. III.)

PART II. siderably short of twenty years ;—that the East-India Company should not import, for home sale, any piece goods, except plain muslins, exceeding ten shillings per square yard, and wrought muslins, exceeding twenty shillings per square yard ;—that the existing duties upon these Piece Goods should continue, but only eight per cent. draw-back be allowed on exportation ;—that British merchants should have a right to export manufactures, and import raw materials, in vessels of their own, to countries within the Company's limits, liable only to the duties payable by foreign nations, but that the trade should be confined to London, and the cargoes pass through the Company's warehouses ;—that the exportation of cotton machinery should be prohibited ; and that the line of the exclusive trade should be drawn considerably to the Eastward and Northward of the Cape of Good Hope. As far as regarded the commerce, the same answer was given, as to the requests from Manchester, while the other demands were held to be inadmissible.[1]

Opinion of the President of the Board of Commissioners on the Clandestine Trade, as connected with these claims.

On the subject of the Clandestine Trade, the President of the Board of Commissioners gave it as his opinion to the Chairman and Court of Directors, that both on national grounds, and from a consideration of what was due by the East-India Company to their own credit and interest, indulgences ought to be given by them to the Manufacturers, for the purpose of laying

(1) Letter from the President of the Board of Commissioners to the Chairman, dated 22d March 1793, transmitting a Copy of the Propositions of the Delegates from Glasgow. (Printed Papers, No. III.)

laying a foundation for placing all the clandestine imports from India, in a train of being brought into a legitimate trade, and, at the same time, sent some suggestions upon this subject, of which the following is the outline:

That all persons residing in India, under the protection of the Company, should be allowed to act as Agents for any merchant who might please to employ them; the persons so acting, to be under covenants with the Company, and under the control of the Presidencies in India;—that all persons, resident in India, should be allowed to send home, in the Company's ships, such goods as they pleased, paying a freight not exceeding £15 per ton; or such sum, as that the freight, to India and home, should amount, in the whole, to £20 per ton, in the time of Peace;—that the charges made by the Company, on the sales of goods shipped from India, by individuals, should not exceed three per cent.;—that His Majesty's British and Irish subjects should be permitted to export all kinds of goods to India, with the exception of military stores, and certain bulky articles of naval stores, *viz.* masts, spars, cordage, anchors, pitch, tar, and copper, the freight of such exports to be at the rate of £5 per ton, in time of Peace;—and that it should be lawful for the Servants of the Company to recover their property, in any foreign country, in the same manner as the rest of the King's subjects were, or might be entitled to do.[1]

Having

(1) Letter from the President of the Board of Commissioners to the Chairman, on the subject of the Clandestine Trade, and enclosing a paper, intitled "Suggestions," dated 22d March 1793. (Printed Papers, No. III.)

PART II.

Manner in which the Committee of Correspondence arranged their answers, for the consideration of the Courts of Directors and Proprietors.

Having thus brought under review the modifications to which the various parties, immediately or remotely interested in the renewal of the East-India Company's exclusive privileges, were disposed to acquiesce, and having stated the manner in which His Majesty's Ministers proceeded, in laying the whole before the Committee of Correspondence, for their consideration, with the opinions of the members of that Committee on particular points, it remains, only, to detail the specific answers given by this Committee, in which it will be found, each claim was examined separately, and in the relation which it bore to the others, as well as to the principles upon which the negociation had originally been commenced.

With the evidence thus digested, the actual state of the question will be discovered, as proposed in the form of the resolutions, to the Committee of Correspondence, that it might pass the examination of the Courts of Directors and Proprietors, before the whole subject should be submitted to Parliament.

The Committee of Correspondence, with such numerous claims on the Company before them, considered, that it would bring the nature and objects of these claims, and the Company's answers to them, more immediately under the notice of His Majesty's Ministers, if each particular claim should be stated separately, and next, the general circumstances which affected either the permanency of the Company's term, or the practicability

cability of carrying into effect the principles, upon which the pending negociation had advanced almost to a conclusion.

The claims, or propositions, of the mercantile and manufacturing bodies, and the replies of the Committee to them, may be arranged in the following order.

On the subject of Shipping, the Committee referred, for an answer, to the letter of the President of the Board of Commissioners, dated the 22d of March, in which he had given it as his opinion, that this subject must be left to those who had the management of the commercial interest of the Company;—that the freight, however, should, at once, be settled, on fair and equitable terms, to prevent the constant agitation which must arise, from the tenders of speculators in this business; and, in this opinion, the Committee fully acquiesced.

Observations of the Committee on the subject of Shipping.

On the subject of the claims of the Proprietors of Mines in Cornwall, the Committee delayed giving a positive answer, till the subject should be more fully matured by communications from the Board of Commissioners.

Postpone an answer to the Proprietors of Mines in Cornwall.

On the subject of the application from the Delegates of Exeter, the Committee considered it to be an interference with the detail of their commercial concerns, which they, from the nature of the case, could not consent to place under any regulations or control whatever, though they were constantly ready to extend the sales of the manufactures of their country.

Observations of the Committee on the demands of the Exeter Merchants.

On the subject of the Southern Whale Fishery, the Committee repeated the opinion formerly expressed by the Chairman, that

—— on the Southern Whale Fishery.

that farther permission to these rovers to extend their present range, would be destructive of the trade to India, and to China; and that the Company could not consent to any alterations in the licences under which the Whalers act, but transmitted a copy of the covenants with them, for the consideration of the Board of Commissioners.

—— on the claims of the Manufacturers of Manchester and Glasgow.

On the subject of the memorials and conferences, respecting the Cotton Manufactures, between His Majesty's Ministers and the Delegates from Manchester and Glasgow, the Committee, in general, supposed, that the Legislature would include the whole under one head, because, though their objects were different, their interests must be the same;—and, therefore, confined their observations to the commercial demands, and set aside the others insisted upon by the Manufacturers, as matters upon which the Legislature would decide.

On the subject of the claims which regarded Freight, the Committee stated, that they would fully reply under the head of Clandestine Trade; and, on this point, observed only, that they hoped it was not the intention of Government to authorize any commerce from Great Britain, or Europe, to China, direct or indirect, except through the medium of the Company.

On the subject of the Home Consumption of India Piece Goods, the Committee replied, that the proposed restrictions would be equally applicable to other articles, as to those brought from India; but if the Cotton Manufacturers should persist in their request, to have the exclusive supply of the whole of the

British

British consumption of Piece Goods, the Committee would recommend to the Courts of Directors and Proprietors, to yield to such request, provided the Company were placed, in other respects, upon an equal footing with Private and Clandestine Traders, and with Foreign Nations.

On the subject of the importation of raw materials, and the limitation of the sales of the Company, the Committee replied by a reference to the answers given by Mr. Pitt and the President of the Board of Commissioners, at the conference with Messrs. Gregg and Frodsham, *viz.* that raw materials should be brought home, in return for the exports of Great-Britain, but the return should not comprehend articles of commerce, exposed at the sales of the East-India Company; and to the answer given to the more numerous Delegation from Manchester, *viz.* that it would be the business of Government, and of the Company, by every possible means, to promote the importation of raw materials from India; and that the Company should appropriate, annually, a certain quantity of tonnage, to bring home such articles as private adventurers might think fit, through the agency of free merchants, appointed by the East-India Company, and under the control of their Governments in India; and concluded, that limiting the Company's imports would only divert the trade into a foreign channel, without benefiting the Manufacturers.

On the subject of the Clandestine Trade, the Committee replied, in general, that they had been willing to provide a ton- —— on the Clandestine Trade.

S nage,

nage, at a freight lower than could be had from Ostend to India, which was £10, and from India to Ostend, which was £15: hence they offered freight at £22 per ton.

If Government, however, should be of opinion, that the Company were to furnish ships at the aggregate rate of £20, per ton, the Committee thought, that the division of £5 outward, and £15 home, would bring a considerable loss on the Company, because the private adventurer might then avail himself of the cheap freight outward, and leave the homeward tonnage to be filled up by the Presidencies abroad:—hence, if the object was to encourage Private Trade, and to suppress Clandestine Trade, the freight, out and home, ought to be more equally divided.

Propositions in the Memorial of the persons interested in the Clandestine Trade.

Having stated the answers of the Committee of Correspondence to the various claims affecting the privileges of the Company, it remains to examine the general propositions and explanations, in the Memorial from "a Committee appointed "by several mercantile houses, acting as Agents for the East-"Indies," and the answer of the Committee to these propositions.(1)

This Memorial stated, that when the Company acquired political and territorial power in India, the servants and dependants of the English Government had amassed large sums;—that as they had no idea of colonizing, they wished to remit their fortunes to Europe, through the Company's trade, but this being

(1) Answers of the Committee of Correspondence to the claims of the Merchants and Manufacturing Bodies, 25th March 1793. (Printed Papers, No. III.)

being prohibited, these sums had created a large trading capital, which had passed into the hands of other European maritime nations, and thus had turned our acquisitions into a loss, both to the Company, and to Great Britain;—that the amount of this capital, without exaggeration, might be computed, since the acquisition of the Dewannee, at about ten millions sterling;—that this prohibition still continued, though the means of remedying the evil were obvious, *viz.* receiving into our Indian treasuries the fortunes of individuals, and granting bills for the amount, on the Court of Directors; a measure which would make London the general mart for the productions of the countries under the management of the Company;—that this measure would have prevented the illicit traffic carried on by the subjects of Britain, between India and Europe; a traffic which had been consolidated into a regular system of Clandestine Foreign Commerce to and from India;—that penalties and forfeitures tended only to perfect the artifices by which the Clandestine Trader had evaded the laws, of which fact Government had been so sensible, that it had not made any efforts to enforce them, because such a proceeding could only have added disrespect and discredit to the other injuries sustained by the nation;—that the Company ought to return to the policy which, alone, would have prevented these evils, as the question was not about annihilating the Clandestine Trade, but modifying it;—that although provision had been made in the projected Act, for extending the export of British manufactures to India, and for enabling the Private Merchant

 to

PART II.

to receive his returns for them, no provision had been thought of, for bringing home the fortunes of British subjects in India; or for encouraging the native Indian merchants, our subjects, to trade with this country;—that the only remedy (it was affirmed) which appeared practicable, was "to attract, by "proper measures, to this country, the traffic carried on by "British subjects, between India, and the foreign parts of "Europe," by reducing the rate of freight, and lowering the high duties paid by private adventurers to the Company; and, in illustration, it was added, that the exclusive privilege, it had been found, could not annihilate the foreign trade to India, but would only prevent the importation of Eastern goods into Britain;—that the reduction of the freight, and lowering the duties, would have the effect to increase the importation, and would add to the number of buyers at the Company's sales, so that the Company would receive a large amount from trade, instead of a small amount from duties; and, in proof, it was said, the Clandestine Trade, in 1791, employed 10,255 tons, while the Public and Private Trade of the Company employed 7,500, of which the privileged goods, shipped in India, amounted only to 300 tons;—that when the Company resolved to reduce the freight to £15 per ton, homewards, they calculated, very justly, that this reduction of the rate of freight would be more than compensated, by the per-centage on the increased importation of private goods;—that, in the same way, if the duties on the imports, for which the Company now draw seven per cent.

(their

(their own charges not exceeding one per cent.) were lowered, they would only have sacrificed a small part of their present gains, to receive a greater profit, for by diminishing the duty to three per cent., they would encourage importations, and receive a greater amount than they did at seven per cent.; hence the importations, by foreign adventurers, on British capitals, would gradually be transferred to London.

Such seemed to be the whole of the argument, in this Memorial:—all that followed, though set down under heads, as arguments, seemed to be only collateral illustrations of this one, of which the substance was, that the State and the Nation would benefit in a greater degree, by lowering the freight and duties, than by keeping them at the present standard; —that the ships employed in the India Commerce (distinguishing it from that to China) would be increased one half, and in time of Peace perhaps would be doubled;—that the duties to Government (deducting charges, commission, &c.) would become a clear gain to the Public;—that the manufactures of the East, would be improved, by their being purchased by resident Agents, accustomed in the trade, instead of being bought by super-cargoes, strangers to the commerce, and compelled to buy, in most instances, at an advanced price;—that London would become the mart of Europe for India goods;—that instead of a fall of prices, a great variety in the assortments would augment the number of purchasers, and of orders from all parts of Europe and America;—that the export trade of Britain, thus, would be

increased,

increased, by London becoming the general seat of Indian commerce, in the proportion that the Indian imports to it would be augmented, and that this would be the sure means of obtaining the highest price for exports;—that the merchants from abroad, coming to our India sales, would, with that object, combine other speculations in other commodities of this country; —that the increase of imports, would proportionally increase British tonnage;—that the illicit traffic from India, to foreign ports, would be drawn from them to this kingdom;—that the fraudulent abuse of the revenue laws would be done away, both as they regarded duties and drawbacks, and that, in this manner, the whole of the evil would be suppressed, and the revenue receive a double accession, one from the increase of Indian imports, and another from the extinction of smuggling.

It was admitted, that the Indian administration at home, seconded by the measures of Lord Cornwallis, had, in part, reformed the abuses complained of, but still, that the laws of this country had been evaded, by the servants of the Company carrying on illicit trade; but that, if the measures which have been enumerated should be adopted, the necessity of those restrictive laws would be obviated:—that by the regulation of 1781, British subjects were forbidden to act as Agents in India, for foreigners, because it was supposed this prohibition would prevent the influence of the English from being employed in aid of foreigners, rivalling the Company in Europe, and would prevent individuals, under the British Government, from dealings

in

in India with the subjects of other nations; but that experience had shewn the fallacy of both these expectations:—that the British subjects, as far as they had been connected with foreigners in India, had only preserved their influence over their commercial transactions, and hence the profits of Agency had been so much clear gain to the subjects of this country; that British subjects, therefore, who were resident in India, should have the same privileges as foreigners, that is, of taking commercial orders from all those who would employ them:—and that the whole of the evils, therefore, would be remedied, by introducing the following clause into the new Act, "That it shall be lawful, "in future, for British subjects, and others living under the "protection of His Majesty, in India or elsewhere, to purchase "goods from, or sell goods to, the subjects of all nations, with-"out exception, or to act for them on Agency."

Answers of the Committee of Correspondence to these propositions.

The answer of the Committee of Correspondence, to this Memorial, was introduced with the remark, that the object at which the Memorialists aimed, might be judged of from their avowing themselves to have been Agents in carrying on an illicit trade, though they reprobated any disrespect to the laws of their country, and held the practice to be a degradation to those who embarked in it:—that, notwithstanding this avowal, the object of the Memorialists evidently was, to overturn a system of policy established by the Legislature, in the last century, and continued to the present period, although this system was congenial to all our laws respecting colonial trade:—that the laws in favor of the

East-

PART II. East-India Company have not, as the Memorialists supposed, been directed to annihilate a Foreign East-India Trade, but to prevent such trade being carried on by British subjects, on British capitals, to the injury of our navigation, and established practice in business :—and that the preambles to these Acts will shew the object to have been public benefit, which was best secured through the medium of an exclusive Company.

The Committee, after these preliminary observations, stated the following specific answers to the general argument of the Memorialists. That the term, "*Trading Capital*," was improperly applied to the fortunes of individuals, which were clandestinely remitted to Europe :—that a greater loss would have been sustained, if, upon the theory of the Memorialists, an investment had been made in India, on account of the Company :—that the property to be remitted, had been acquired in a clandestine manner, and, therefore, that concealment must have been the object of the parties, who would not have chosen to have exposed their transactions to the knowledge of the Directors :—that the principle of the Memorial was, because illegal practices have prevailed, the Clandestine Traders should be legalized :—that the Committee considered this principle to be absurd, and that the advantages held out, under it, to the Company and to the Public, were, in fact, intended for the benefit of the Agents in Clandestine Trade only :—that the supposed loss of ten millions to the Nation must either mean a loss to British subjects, who had remitted this sum, or a loss to Great-Britain and Ireland, from whose

trade

trade and circulation, this amount was presumed to have been withdrawn:—that the fact, however, was, that individuals, to obtain the highest rate of exchange, had entrusted their money to persons unworthy of credit; hence the loss they frequently incurred must be supposed to constitute a small part of these ten millions sterling;—the rest must depend on the rate of exchange which they accepted from foreigners, compared with the rate they might have expected from the Company,—that the current rate of exchange, at that time, was at two shillings and three-pence; at this time there have been no remittances in Calcutta, though the Government was disposed to draw on the Court of Directors, at the rate of one shilling and eleven-pence, the current rupee:—that few individuals, who were not obliged to conceal their operations, would accept a less rate of exchange than two shillings:—that as the Company, at that time, lost by their investments, the plan of the Memorialists would have reduced the produce of the rupee to less than one shilling and six-pence; therefore, though no correct estimate could be formed on the subject, yet if the Clandestine Traders had realized one shilling and six-pence the rupee, suffering a loss of ten millions, the sales, for their account, must have amounted to forty millions:—that in 1770, the Governments in India tried the scheme of the Memorialists, and drew bills on the Company, to the amount of £1,420,421, at one, two, and three years' sight:—that the consequence was, a distress from which the Company were relieved by the Public, on condition that the

PART II. drafts from India should, thenceforward, be limited to £300,000, per annum :—that, looking at this fact, some reason ought to have been given in the Memorial, why the Company were to charge themselves with a loss of ten millions sterling, to relieve individuals, who had acquired and remitted their fortunes in a clandestine manner :—that the commerce, between India and the Continent of Europe, was different, at this time, from what it had formerly been, and chiefly consisted in bringing Indian produce and manufactures for consumption on the Continent :—that the object of the arrangement between Government and the Company, therefore, was not to annihilate trade with such foreigners as might carry it on, *bonâ fide*, on their own account, but to extend the trade to and from India, through the medium of the Company, in such a way as to make London the great emporium for Indian commodities ; and that, so far from its not being intended, in the projected Act, to make provision for bringing home the property of British subjects in India, the sum of £500,000 annually was proposed to be appropriated towards liquidating the debts of the Company in India ; a sum which would be fully sufficient for the purpose of remitting home the fortunes which could be honorably acquired in that country ; — that with regard to the Natives, their interests would also be secured :—that the remedy, in the Memorial, of attracting to this country " the traffic carried on by British " subjects between India and the foreign ports of Europe," was, in fact, the principal object of the pending negociation with

PART II.

with Government:—that, for this purpose, an offer had been made of freight, at a lower rate than what it would actually cost the Company, and cheaper than what individuals must pay at Ostend:—that the Directors had acquiesced in lowering the duty payable to the Company, and the charges of merchandize, for landing, housing, &c. from seven to five per cent.:—that the object, therefore, was not to annihilate the foreign trade, but to take away from the Clandestine Trader every excuse for evading the law:—that the document, upon which the argument of the Memorialists rested, was inaccurate in every respect; for, first, there was no proof, that in 1791, 10,255 tons of the Clandestine Trade were British property; next, that the aggregate tonnage of British importations in 1791, instead of 7,500, was 7,950 tons:—that the Company's tonnage, which sailed in the season 1791-2, was 10,193 tons, exclusive of the ships for China:—that the tonnage agreed for in 1792-3 (at the date of this answer), amounted to 17,199, besides 1,700 tons proposed to be sent to the Coast of Malabar, and the whole, exclusive of the China trade. The Committee, therefore, inferred, that if the estimate was erroneous, the conclusions from it were equally so:—that it would be necessary for the Company to sell, annually, goods from India to the amount of £2,314,000, to enable them to fulfil the expectations of the Public from the proposed arrangement, but that it would require *proof*, not *assertion*, to establish, that £3,470,000 could be added to the annual sales of the Company, or that India could furnish such

addition,

PART II.

addition, by adopting the clause proposed in the Memorial, in which the circumstance seemed to have been forgotten, that in proportion as the quantity of goods increased in any market, the price would be diminished:—that if the estimate was fallacious, the plan proposed to be rested on it must be impracticable; and if adopted, could only operate to the destruction of the Company:—farther, that the argument in the Memorial, that competition in India would improve the quality of the Piece Goods, contradicted itself, since the quality of this manufacture would necessarily be debased, till a new race of artizans should be formed, to supply so rapid an increase of demands for Indian manufactures. On the whole, the Committee stated it to be their opinion, that fraudulent abuses of the revenue laws, in India, had, by no means, been so excessive as the Memorialists had held forth; but allowing these abuses to be great, the natural consequence of introducing Agents in India, for Private Merchants in Britain and Ireland, could only tend to an increase of these abuses.(1)

Further observations on this subject submitted by the Committee to Government.

Having stated the particular answers to the principles upon which the Memorial was founded, and endeavoured to shew, that the facts, upon which the arguments in it rested, were fallacious, the Committee subjoined the following additional observations, for the consideration of His Majesty's Ministers.

Without entering into the question respecting the Company's rights to the territorial revenues, the Committee laid it down

(1) Memorial respecting Clandestine Trade, with Remarks of the Committee of Correspondence thereon. (Printed Papers, No. III.)

down as a ground of argument, that our Asiatic Provinces ought to be governed upon principles, which have constantly been applied to possessions of a colonial description :—that the avowed object of all parties was to suppress the Clandestine Trade, and to render London the depôt, and British shipping the carriers, of Indian produce; but if foreigners should be enabled to trade upon equal terms with the English, as the Memorial proposed, and yet be without the expence of establishments, and if they could be supplied by British subjects, and aided by British capitals, they would, in that case, be better served than the Company :—that, by such a change, the objects attempted to be obtained, would be frustrated, and the Clandestine Trade would remain :—that the clause, besides, would operate to the encouragement, both of Foreign and Clandestine Trade, but would not bring that trade to Britain :—that it was not the intention of Government to encourage one party to the prejudice of another, but to enable the fair trader to act with the same advantages that the smuggler had done :—that if the demands and the expectations of the manufacturers, at home, had any weight, that weight fell into the scale of the exclusive privileges of the Company, whose interests ought not to be sacrificed to men in the habit of evading and breaking the laws, and who now had avowed a design to legalize that, which all parties professed a wish to annihilate.

On the whole, the Committee hoped, that, under the circumstances they had stated, any permission which might be given

given to foreigners in the trade, would be confined to India:—that no person should be permitted, under the new Act, to become an Agent to foreigners or others, who was not under covenants with the Company, and under the control and authority of the Presidencies in India; and that no British Agent should be suffered to lend, or to advance money, for the benefit of foreigners, in trade, nor to trade themselves to any place on this side the Cape of Good Hope, except to Great-Britain:—and, lastly, that such Agents should not be permitted to interfere in the markets in the purchase of Piece Goods.(1)

Reply of the Memorialists to the answers, and observations of the Committee of Correspondence.

When the Memorialists had perused this answer, they replied to it, in the following terms.

" We have seen with concern, the reasonings of the Com-" mittee of Correspondence on the subject of the Clandestine " Trade with India, and feel our characters, in offering our " opinions, misrepresented. We disavow any intention of at-" tacking, directly or indirectly, the exclusive privilege of the " Company, and we declare ourselves unconnected with any " description of persons, who have brought forward pretensions " inimical to the renewal of the Company's privileges. Our " sole object was, to bring the Foreign Trade carried on from " India to Europe, and from Europe to India, by British sub-" jects and by British capitals, under foreign flags, into a le-" gitimate line through the Company. We have seen, that the restraining

(1) Additional Remarks of the Committee of Correspondence on the Memorial respecting Clandestine Trade, 25th March 1793. (Printed Papers, No. III.)

" restraining Act of 1781, has proved inefficient. We wish " only to turn the trade into its natural channel, and to check " the political and moral evil of a disregard to the revenue laws " of our country:—hence our proposition of a measure for " preventing the trade to and from India, to foreign ports, by " doing away the restraints of the Act 1781, on British sub-" jects acting as Agents in India; and hence our desire, that " all His Majesty's subjects, resident in India, may be at liberty " to purchase goods from, or to sell goods to, the subjects of " all nations whatever."

The Court of Directors replied, that measures of this kind were in contemplation, and that, with some explanations, concessions would be made, almost equal to what the Memorialists had in view. Under these circumstances, they hoped that any permission which might be given to foreigners, or to their trade, might be confined to India:—that no person, who was not under covenants with the Company, or under the control of their foreign Presidencies, would be allowed to lend, or to advance money in trade for the benefit of foreigners, and that the Company's servants would not themselves be authorized to trade, or to interfere in the markets:—and this amounted, nearly, to what the clause in the Memorial proposed.

It appeared, thus, that the Directors had agreed with the Memorialists in their principles, but that they differed from them in their conclusion. The Memorialists sought to remove the restrictions in the Act 1781, and, as far as the trade in

India

PART II. India was concerned, the Company gave up the most material part of these restrictions. The Memorialists did not mean that Agents, resident in India, should be out of the control of the Company; on the contrary, they proposed, that such Agents should act under its licence, but that this control should not prohibit them from the enjoyment of a liberty of trade:—they did not propose, that British subjects should be allowed to lend their money in aid of foreign adventurers to Europe, nor be themselves traders to the foreign ports of Europe, but only that they might lend money, at interest, to foreigners in the country, as well as to others:—it was, in fact, as impossible to interdict them in this particular, as it was to prevent foreigners from being purchasers of India Piece Goods in the markets. The meaning of the Memorialists, respecting the loss of ten millions, had equally been misunderstood in the answer:—they did not refer to the loss of individuals, or that the Company ought to have borne such a loss as ten millions sterling, but meant only, that there would be a national loss, by paying foreign ships, foreign sailors, foreign agents, and foreign duties, by the profits of sales centering in foreign countries, by the dishonesty of agents employed there, and by the expence of the exchange to England. The Memorialists did not say, that the concern, through foreign channels, had been a losing one, but if it had proved such, they affirmed, that the Nation would have gained, on the whole, by bringing the value to Britain. They had no idea, they asserted, of burdening the Company with the loss, nor of shifting it from

one

one class of British subjects to another, or from individuals to the Company, for this, they allowed, would not have aided their argument; but still they held, that the Company's investments would have been increased, and their sales at home greater, by the accesion of the fortunes of British subjects, which had gone into foreign channels:—the Company had been satisfied of the force of this argument, by adopting the plan of remittance in 1785, at which time the fortunes of individuals were received into the Indian Treasuries, and the re-payment provided for by the increase of investments, which was precisely the point that the Memorialists desired:—the measure of the Bengal Government, in 1770, was not a fair trial of the plan now proposed; it miscarried, because it was hastily resolved on, without permission from the Company, and carried to excess without provision of goods, fitted either in quantity or quality, for the Company's sales, and at a time when their affairs in India were in disorder. The Memorialists, further asserted, that this measure had been misrepresented, by the Court of Directors, and charged with consequences which did not probably belong to it, and, therefore, militated nothing, at this time, against the adoption of the proposed clause. This fact shewed only, the mischief of an ill conducted plan, but not what the same measure, if properly concerted, would have produced. Skill and integrity, in the purchaser abroad, must be allowed to be necessary to success:—without either, or both, small investments would turn out ill; but an unfavorable issue, of this description,

could

PART II. could authorize nothing against larger investments, if well provided for, and did not affect the argument in the Memorial, which was, to grant admission to Private Adventurers, themselves, or by Agents, through the Company's channel, and at a moderate rate of freight and other charges, to enter into the trade to and from India:—as long, therefore, as a general demand for Indian goods in Europe should continue, there would be no diminution in the price, whether the importations to any particular place were more or less. The Memorialists, therefore, required only, that the goods, which went into foreign channels, should be brought to England: if this did not produce an increase of importation, on the whole, it could not augment the price, and could not, at all events, affect the price of so universal an article of demand as Piece Goods.

The Memorialists farther stated, that the observations of the Committee of Correspondence, that those persons who had acquired fortunes clandestinely, would not, from any temptation in the profits, expose their remittances to the Directors, was contradicted, by the experiment in 1770, which amounted to £1,420,000, and, in this instance, the parties might have remitted their fortunes through Agents, without being deemed culpable at Leadenhall Street. To differ, they added, about words, was not the object of either party, for private property, remitted to Europe, is as much a trading capital, as the Company's revenues remitted in trade from India; for both constituted a fund for investment, and each year's remittance of both

both terminated in Europe, and these funds and investments continued from year to year. The Memorialists did not require, that the trade which foreigners carried on, *bonâ-fide,* to other ports in Europe, should be annihilated, but only that the trade on British capitals, through foreign channels, should be done away.

To the objection, in the answers, to the accuracy of the account of foreign tonnage, the Memorialists replied, that several foreign ships had not yet sailed, and therefore were not included in this list:—that the Lisbon ships, destined for the Clandestine Trade, cleared out for the regular ports of Goa and Mozambique:—that instead of saying the Dutch, it might have been said, foreign Companies' ships, in general, were not included in the list;—but though it might be conceded, that the estimate was too high, it would be granted, that the Clandestine Trade, whatever it was, ought to be added to the Company's sales: the Memorialists, therefore, argued, that whether the supply to Europe, from India, be greater, or not, than the exports, it would be better, if no other return could be made, that they should come legally to London.

The objection, that foreigners would, by this clause, be in a better situation than British subjects, because they could trade without the expences of establishments, the Memorialists asserted, would not be a consequence of admitting the clause into the new Act, because foreigners, under it, were to trade through British Agents. It was not said, that the British exports

 to

PART II.

to India would be increased, but only, that the enlarged trade from India would increase the re-exports to other parts of the world. In the same way, the clause did not aim at authorizing British Agents in India to trade to foreign ports in Europe, but to London alone, for re-exportation, a circumstance which would be more favorable to the Company, than the regulating Act of 1781. Upon the whole, the object of the Memorialists, they said, was a moral one, that of preventing evasions and abuses of the existing laws of the country, by legalizing the trade, now known under the name of Clandestine.(1)

Result of these arguments, and effect of them on the public opinion, respecting the Renewal of the Company's Exclusive Privileges.

Having detailed both the particular and general propositions of those who formed pretensions on the East-India trade, without being sharers in the stock, with the arguments which were brought in support of their plans, and having next stated the answers of the Committee of Correspondence and Court of Directors, both to the particular claims, and to the Memorial of the Clandestine Traders, it may be proper, in this stage of the business, to advert to the public opinions, at this juncture, respecting the approaching application of the Company to Parliament on the subject of Indian affairs.

In the first place, it appears, that the general principle upon which the negociation had opened, was uniformly the rule of conduct on the part of Government, *viz.* that it would be for the public interest, to combine with the trade of the East-India Company

(1) Letter dated April 2d 1793, from Richard Muilman and Co., William and Thomas Raikes and Co., and Edmund Boehm and Co., to the Chairman.

Company, an increase of British exports, equal to the largest possible demand of the East, and an increase of Eastern imports of raw materials, for the British manufacturer, who exercised his industry on fabrics made from them; and, at the same time, to afford protection to our Indian Provinces, that is, to the general industry of the Natives, and to their manufactures in demand in Europe.

It appears, next, from the whole of the preceding detail, or from the claims of the manufacturers, of the merchants, and of the commercial speculators, that those claims assumed new aspects, after it had been discovered that the intentions of Government were to submit to the Legislature, the expediency of renewing the Company's privileges, under certain modifications, calculated for promoting the general interests of the Empire.

The Claimants, at this time, changed their object, for they now attempted to place the Company under conditions, which the Court of Directors, in their answers, held to be equivalent, if not to a deprivation of their exclusive privileges, at least to such limitations in the exercise of them, as would render the trade, in a great degree, unproductive to the Company.

The Court of Directors, therefore, resisted the restrictions on the mode of providing their exports, and opposed the projected imports of private merchants for sale at home; at the same time, they conceded, under the general principle upon which the negociation

had

PART. II. had been opened, several of the points originally controverted, *viz.* they offered to afford tonnage, outwards and homewards, to the Private Adventurer, at a cheaper rate than he could have procured it for himself, but under the condition, that this importation of Indian produce should be reserved to the Company, to make up the assortment for their sales; and held, that if the piece goods for home consumption should be prohibited, the duty on re-exportation should cease and determine; and lastly, that in the whole arrangement, it might be made practicable for them to liquidate their debts, to the sums at which it had been agreed they ought to remain, and that it might be left in their power to fulfil the expectations of the Public, for a participation in the Surplus Revenue.

It appears, lastly, from the whole of the preceding detail, that the Memorial on Clandestine Trade, though it embraced the general maxim of increasing the trade to and from India to Britain, yet pointed out no new means for this end, but only those which had been tried, and were in agitation, and, in a measure, agreed on, as subjects in the pending negociation, *viz.* lowering the rate of freight, and the duties payable to the Company on Private Trade.

Having reviewed the Memorial, the answers, and the reply to them, the actual state of the business, at this time, may be correctly ascertained. Government were acting for the general prosperity of the Empire, and determined to review the whole of the subject, under an impression, that it was of

importance

importance to turn the Clandestine Trade into a legal channel, particularly when men, who had been acquainted with the nature of it, if not connected with it, were pointing out specious plans for this public end. PART II.

On a retrospect of the events, to which both the Memorial, the answers, and the replies referred, it appears, that the conclusions drawn from the facts, to which the Company appealed, were more conformable to experience in trade, than those from which either the Memorial or the reply reasoned:—the fact, for example, was true, as stated in the Memorial, that the Governments in India had refused to remit the fortunes acquired by their servants, because the current coin in India would have been totally drained by such a measure, and because the Presidencies were under the instructions of the Directors, to send as much bullion from the surplus revenue from India to China, as might be practicable, to save the expence and risk of sending bullion from Europe:—The effect of this mistaken policy was, that the Indian manufactures, from the want of a circulating medium, were at a stand. But supposing this stoppage not to have happened, the demands for Indian produce, in Europe, did not then exceed the imports which the Company were making:—had they, therefore, taken up the monies which individuals wished to remit to Europe, for bills to be paid in London, the payments must have been made, whether the produce of the sales had answered them

or

or not. It should be recollected, that Piece Goods, &c. could not be found, at the time, in India, equal to the sums which could have been borrowed from individuals, and that they could not have been sold in Europe, either for home consumption, or for re-exportation; of course, the loss would have endangered the Company's credit.

The fact was not less true, that in 1770, the commercial theory of the Memorialists was put to the test of experiment. The Governments abroad took up money, to the amount specified in the reply, and enlarged the investment, but the sales in Europe did not answer the payments of the bills;—the Company were, therefore, obliged to have recourse to the public aid, and received it, on condition that they should be restrained in future, from drawing bills on the Court of Directors, beyond the annual amount of £300,000.

Government, in this manner, although solicitous to devise a system of trade, that should be accommodated to the common prosperity of the Company, and of the general merchants, were satisfied that it was easier to entertain speculative hopes, than to lay down practical rules, subservient to the general interest of the Public.

Opportunities afforded by His Majesty's Ministers to all the Claimants to bring forward the fullest evidence.

The President of the Board of Commissioners, under this impression, communicated to the Chairman the opinion, that Government did not wish to bring forward any thing to Parliament, till a full explanation could be had of the controverted points, between the Company and the mercantile bodies;

bodies; and upon this subject, in as far as regarded the Company, they ought to decide for themselves, and not to be clogged by the participation claimed on behalf of the Public, because this amount might be obtained, although the exclusive term should cease, and the experiment be made, which had been proposed by the Manufacturers of Great-Britain.

Critical state of the negociation at this period.

Such were the circumstances in which the negociation was placed, at the critical period when the conditions upon which the new Act was to proceed, were finally to be arranged for the consideration of Parliament.

The Manufacturing and Mercantile Bodies (we have seen) were urging the admission of their plans, and the Company resisting such parts of those plans, as they deemed to be incompatible with the progress and prosperity of their trade.

In this situation of affairs, it became necessary to bring before the Proprietors, the claims of the Private Traders, and the plans of the Memorialists, on the subject of Clandestine Trade, with the answers of the Committee of Correspondence, and the reply on the part of the Memorialists;—the Commissioners for the Affairs of India, accordingly, transmitted the whole claims and evidence to the Court, that the Proprietors might discuss the various points affecting their interests, upon the fullest information; and to afford them this opportunity, the propositions intended to be laid before Parliament were delayed, till the contested points, between the Manufacturing and

 Mercantile

Mercantile Bodies and the Company should be more at issue than, at this juncture, they appeared to be.[1]

The Committee of Correspondence require, that the resolutions, to be submitted to the Legislature, should be laid before a General Court.

The Committee of Correspondence having had the whole of these papers before them, and having transmitted their remarks and observations upon them to Government, requested, as a preliminary to their taking the opinion of the Proprietors, on the whole of the subject, that the resolutions, intended to be submitted to the House of Commons, should be put into form for their perusal.

This requisition granted, and explanations of different points in the resolutions given by the President of the Board of Commissioners.

The proposed resolutions respecting the Government and Trade of India were, in consequence of this requisition, transmitted to the Chairman, as the substance of what was intended to be submitted to Parliament.

It was at this period, that the Commissioners for Indian Affairs desired to learn, whether their President was warranted to suppose, that the East-India Company would acquiesce with His Majesty's Ministers, in the two points upon which the negociation seemed now to turn, *viz.* whether the Company would agree to give the proposed encouragement to the trade and manufactures of Great-Britain and Ireland?—and whether the plan for putting an end to the Clandestine Trade, now carrying on between India and Europe, would meet the suffrages of the Court of Proprietors? The resolution, respecting the prohibition

(1) Letter from the President of the Board of Commissioners to the Chairman, 24th March 1793. (Printed Papers, No. III.)

tion of muslins for home sale, it was added, though it was inserted among the others, that the Court might have the whole subject before them, at the instance of those immediately interested in this point, would probably undergo a further consideration; for it appeared, that those who urged this request, were acting upon too narrow a view of the subject.[1]

The Commissioners next felt it to be proper, before the meeting of the Proprietors, to state to the Chairman, that the participation of £500,000 to the Public, ought not to be considered as the sole object of Government, in recommending to Parliament the prolongation of the Company's exclusive term:—that the Manufacturers, though they probably would find themselves mistaken in the prospects which they had formed, were still disposed to try the experiment of export, on bottoms of their own, independently of the Company's shipping:—that the Company, perhaps, greatly overvalued the advantage of an exclusive trade to India, and, that the manufacturers of Great-Britain and Ireland were not less under a delusion, in their expectations of a freedom to trade. The great object of Government had been, to collect the various interests of Great-Britain, respecting the Provinces in India, and after viewing the whole of the evidence, they were disposed to think, that the East-India Company, as the medium of Government in India, and the channel of remittances from it, was the most fit instrument for

 the

(1) Letter from the President of the Board of Commissioners, to the Chairman, 26th March 1793. (Printed Papers, No. IV.)

the Public:—not but that the purpose of the Nation might be served, without the aid of an exclusive trade, but that the same commercial privileges could not be applied to the trade to China, which must continue to be carried on, under an exclusive privilege.

Under these circumstances, it was the wish of Government, that the East-India Company should fully deliberate and make up their opinions, on the conditions under which the privileges were to be renewed; as the Directors and Proprietors must now have perceived the situation in which Government was placed, relatively to the Company;—the notice had been given in the last session of Parliament; the remaining period of the existing Privileges was short; and a speedy decision upon this great national subject had, of course, been in the expectation of the Legislature.(1)

The Committee of Correspondence request a further delay.

On receiving these communications, and the proposed resolutions, the Committee of Correspondence were of opinion, that the Directors would require some further time to prepare the explanations, with which it would be necessary to bring the whole business before the Proprietors, and, therefore, informed the Board of Commissioners, that they would request the Court of Proprietors, summoned for the 27th March, to postpone their deliberations upon the subject for a short time.(2)

After

(1) Letter from the President of the Board of Commissioners to the Chairman, 27th March 1793. (Printed Papers, No. IV.)

(2) Letter from the Chairman to the President of the Board of Commissioners, 27th March 1793. (Printed Papers, No. IV.)

Substance of the Resolutions, proposed to be submitted to Parliament, as first laid before the Court of Proprietors.

After unfolding the circumstances in which the negociation was placed, at the time the Resolutions were conveyed to the Chairman, the following abstract of those Resolutions will exhibit the state of the business, as it came before the Court of Proprietors, and may be compared, afterwards, with the aspect which they assumed, when they passed into a law.

1. The territorial acquisitions and revenues, were proposed to remain with the Company, during the further term of their exclusive trade, without prejudice to the claims of the Public or of the Company, but subject to such appropriation of revenues and profit of trade, as might then, or hereafter, be provided for by authority of Parliament.

2. Commissioners were to be appointed by His Majesty, agreeably to the Act 1784, and subsequent Acts, for the better regulation and management of the Affairs of the East-India Company.

3. The salaries, allowances, charges, and expences, attending the execution of this Commission, were to be paid and defrayed, quarterly, by the Company, upon a certificate, under the hand of the President of the Board of Commissioners, to the Court of Directors.

4. The government of Fort William was to be vested in a Governor General and three Counsellors; the Government of Fort St. George and Bombay, respectively, in a Governor and three Counsellors, with such powers, and under such regulations, as by any Act of Parliament such Governor General

PART II. General, and Governors and Counsellors, have been, respectively, vested with.

5. His Majesty was to be vested with the power of recalling any of the Company's officers and servants in India; such recall being signified to the Court of Directors by the King's Sign Manual, countersigned by the President of the Board of Commissioners for the Affairs of India.

6. The Company's exclusive trade, within the limits now enjoyed by them, was to be continued for a farther term of twenty years, to be computed from the 1st of March 1794, but liable to be discontinued at the end of such period, if three years notice should be given by Parliament; the Company, at the same time, to be under the regulations, to be subsequently detailed, for promoting the exports from Great Britain and Ireland, and for encouraging individuals to carry on trade to and from the East-Indies.

7. It was to be lawful for His Majesty's British, and other European subjects, to export from London, upon their proper risk and account, to the countries within the Company's limits, in ships to be provided by the East-India Company, any goods, wares, and merchandize, the growth and manufacture of the said dominions, except military stores and ammunition, masts, spars, cordage, anchors, pitch, tar, and copper.

8. It was to be lawful for the Company's servants, or for persons acting under their licence, to consign and put on board the ships of the Company, bound to Great Britain, goods, wares,

wares, and merchandize, on the risk of the private owners, deliverable at the port of London. It was to remain for consideration, whether the article of Piece Goods should not be excepted.

9. The Company were to be under an obligation to provide, at reasonable rates of freight, between the 31st October, and 1st February, in each season, not less than three thousand tons of shipping for the exports of private individuals, and for bringing home the returns for the same, with the private trade of such persons as should be lawfully entitled to import goods into this kingdom;—and, farther, regulations, for augmenting the quantity of tonnage, were to be made, as circumstances might require them

10. The rate of freight was not to exceed £5 per ton, to be paid by the exporter from Britain to India, and £15 per ton, by the importer from India to Britain, so that the whole freight might not exceed £20 per ton. This rate, however, was to be subject to an increase, in the time of war or hostilities, proportioned to the rate of tonnage paid by the Company, for the hire of ships for their own trade.

11. The exporter was to give notice, in writing, to the Secretary of the Company, before the last day of August, in each year, specifying the quantity of tonnage required, and to pay one moiety of the freight for the same, and the other moiety, on the goods being shipped, or to give such security as might be satisfactory to the Court of Directors.

12. Persons

PART II.

12. Persons putting goods on board the ships in India, were to give notice, in writing, to the proper officer at the respective Presidencies, within such reasonable time as should be appointed for that purpose by each Presidency, and to make deposits in the treasuries, or to give security to the respective Governments, for the quantity of tonnage specified in the notices.

13. If any vacant tonnage should remain, it was to be occupied by the goods of the Company; and if the quantity of tonnage, either in Great-Britain or in India, should exceed the quantity the Company were bound to provide, in each year, respectively, the whole tonnage provided was to be distributed among the parties requiring the same, in proportion to the quantity specified in their respective notices.

14. All persons residing in India, in the service of the Company (Governors, &c. and Agents employed at the Aurungs, in procuring the Company's investments, excepted), and all persons residing in India under the Company's licences, were to be permitted to act as commercial Agents, on behalf of the exporters or importers of goods, without incurring any penalty.

15. If, upon a representation to the Directors by the Private Traders, of want of a sufficient number of persons to act as Agents in India, the Court should fail to license the requisite number, it was to be lawful for the Traders to represent the same, either to the Lords of the Treasury, or to the Commissioners

for

for the Affairs of India, who were to oblige the Court of Directors to appoint the requisite number of Free Merchants.

16. The duty of five per cent., according to an Act of William III. payable to the Company, on goods imported from the East-Indies, on the account of Private Traders, was to be discontinued, and a duty, not exceeding three per cent. on Private Trade, was to be granted in lieu thereof, on the true and real value, or sale amount of such goods.

17. The raw materials, imported from India by individuals, were, upon requisition by the importers, at any time after the landing, and before the sale thereof, to be valued, and, upon payment of the three per cent. on the estimated value, with the duties and customs, and charges of freight, to be delivered over to the importers. Such goods as should not be delivered as above, were to be deposited in the Company's warehouses, and sold on account of the owners, by inch of candle, at the office of the Company, and the prices paid into the Company's treasury, for the use of the owners; and all other goods imported by individuals, were to be sold and managed, according to the bye-laws of the Company, for the management of Private and Privileged Trade.

18. All restraints by law upon the Company's servants, preventing them from recovering their just debts in foreign parts, were to be removed.

19. The clear revenues, arising from the British territories in India, were to be granted to the Company, during the

PART II. farther term in the exclusive trade, and to be applied to defray, first, the military charges; next, to the payment of the interest of debts incurred by the Company in India; third, to the civil and commercial charges; fourth, to constitute a sum, not less than one Crore of current rupees in every year, for the provision of the Company's investment of goods for Europe; fifth, to be increased by annual advancement to the Commercial Boards, for the provision of investments abroad, in the extent to which the interest of the debt should be reduced, by extinction or transfer; otherwise the surplus, thus accruing, was to be applied to the liquidation of the debts in India, and to such other uses and purposes, as the Directors, with the approbation of the Board of Commissioners, might specify.

20. A proportion of the debts of the Company in India, not exceeding £500,000 per annum, was to be remitted home, by bills on the Court of Directors, at equitable rates of exchange; and in case the creditors did not subscribe to this amount, but preferred being paid their claims in India, the Governor General and Council were to be authorized to grant bills of exchange on the Court of Directors, at the rate of other monies paid into the Company's Treasury at Fort William, and to apply the sums so raised, or whatever surplus might remain of them, to the discharge of the said debts, till the debts, bearing interest in India, should be reduced to £3,000,000 sterling.

21. During the term of the exclusive trade, the proceeds of the sales in England, and of the Private Trade, after provid-

ing for the current interest and other charges of the Company, were to be applied, first, in payment of a dividend of £10 per cent. per annum; next, in payment of a sum, not exceeding £500,000 per annum, for the discharge of bills of exchange drawn for the transfer and diminution of the debts of the Company in India, till the same should be reduced to three millions sterling; third, in payment of a sum, not exceeding £500,000, in every year, into the Receipt of His Majesty's Exchequer;—and, in the event of any deficiency in the said funds in any year, for satisfying such last payment, the sum deficient was to be made good out of any surplus which might remain, from the nett proceeds of any subsequent year, after the payment of the said £500,000, in each year, respectively, when the debts in India should be reduced to £3,000,000, and the bond debt in Britain to £1,500,000. The surplus of the nett proceeds, after the provisions now specified, and after the payment of the ten per cent. dividend, and the sum of £500,000 into the Exchequer, after making good all former deficiencies, was to be applied in the following manner, namely,—one sixth part was to be reserved by the Company, for their own use, and applied in augmentation of the dividends, and the residue of this surplus set apart, and, from time to time, paid into His Majesty's Exchequer, to be applied as Parliament should direct, without any interest to be paid to the Company for the use thereof, but be considered and declared a collateral security to the Company, for the capital stock, and the dividend of ten per cent.

 22. The

22. The Court of Directors were, within the first fourteen sitting days next after the 30th March in every year, to lay before Parliament an account (according to the latest advices) of the annual produce of the revenues in India, under the heads of the different Presidencies and Settlements, and an account of the goods and stores, within their limits, with the annual disbursements;—an account of their debts abroad, rates of interest, and annual amount of interest;—a state of their effects in each Presidency, consisting of cash and bills in the treasuries, goods and stores, and debts owing to the Company;—and a list of their several establishments, and the salaries payable at each Presidency; and also to deliver another account, made up to the 1st day of March, preceding the delivery thereof to Parliament, containing the amount of the proceeds of the sales at home, of the commercial and other charges in Britain, of their bond and simple contract debts, with the rates of interest they respectively carry, the annual amount of such interest, and a state of the cash in the treasury, and other effects at home or afloat.

23. All Piece Goods, manufactured in India, China, or Persia, or within the Company's limits, were to be prohibited from being worn or used, within the realm of Great-Britain.

24. All Piece Goods imported were to be lodged in the warehouses of the Commissioners of Customs, to be there kept till the re-exportation thereof, and to be liable to the several laws and statutes made and now in force, for or concerning the

sale

sale and re-exportation of wrought silk, Bengal stuffs, &c. prohibited to be worn in England. PART II.

25. For securing the benefit of the traffic in India Piece Goods, and to encourage the re-exportation thereof, the duties payable on importation were (as long as the prohibition of their being worn in this kingdom should remain in force) to cease or be discontinued.

26. The East-India Company were to be enabled to add £1,000,000 to the present capital stock of £5,000,000, by opening a subscription, to the amount of £1,000,000, at the rate of £—— for every £100 of capital stock, or, at such other rate as the Directors, with the approbation of the Board of Commissioners, should direct. The subscribers were to have the same benefits as the other Proprietors of India Stock.

27. The Company were to apply a sufficient part of the sum to be raised by the said subscription, to the reduction of their bond debt to £1,500,000.

28. The Company were to be prohibited from again increasing their bond debt, beyond the said amount of £1,500,000.(1)

Proceedings of the Court of Proprietors, on the 28th March 1793.

As the Chairman had received the copy of these resolutions, on the 26th, and the explanatory letter of the President of the Commissioners, on the 27th March, and the Court of Proprietors had been summoned on the 28th of March, on special affairs, he

(1) Resolutions transmitted by the President of the Board of Commissioners to the Chairman, 26th March 1793. (Printed Papers, No. IV.)

PART II. he represented to them, at this meeting, that it might be proper to postpone their discussions for a few days, during which time the Directors would prepare the whole evidence on the subject, for their examination.

The papers respecting the claims of the Manufacturers and Merchants, and the Memorial and answers, on the subject of Clandestine Trade, were however read to the Court, as preparatory steps to the perusal of the resolutions.(1)

The Court of Proprietors, on this occasion, wished for information on particular points:—this led to discussions of some length, upon the following topics, *viz.* the Surplus;—the Separate Fund;—the sale of India Piece Goods in the home market;—the Freight for Private Imports and Exports;—and the Term of the Exclusive Trade.

It may be useful, upon each of these points, to advert to the nature of the subjects upon which the explanations were desired.

The territorial revenues, including subsidies, and the whole income from the Company's property acquired in India, both before and since the Cession of the Provinces, after deducting the civil and military charges, and paying the annual interest of the existing debt, had been stated, at this juncture, by the Directors, in their computation laid before the House of Commons, to leave a residue of £1,200,000:—of this sum, £500,000 was to be annually appropriated to the liquidation of the

(1) Minutes of General Court, 28th March 1793. (Printed Papers, No. VI.)

the Company's debts in India, and £500,000 to be paid to the Public.

It was suggested, that explicit terms should be introduced, in the new Act of Parliament, to secure to the Proprietors an ultimate claim to the remaining Surplus, which it had been stated was to be lent to Government without interest; otherwise, though it might stand as a deposit in the hands of Government, and a guarantee of the Company's capital, yet, at some future period, it might be taken from the Company.

It was explained, that the appropriation of the Surplus, as pointed out in the resolutions, marked a progressive increase of dividend, according to the degree of prosperity in which the Company's affairs might be found. One-sixth was to go for immediate appropriation to the Company, and the remaining five-sixths were to be a loan to Government, without interest, and to be considered as a collateral security, and guarantee for the capital, and, therefore, would operate, both as an inducement to Government to watch over the affairs of the Company, and to the Company to make every exertion in improving the revenues of the Provinces committed to their administration.

On the subject of the Separate Fund it was suggested, that care should be taken to have it secured to the Proprietors, by express provision in the Act. In reply, it was said, that the existing Act of Parliament secured this fund to the Proprietors, and that it must remain as their distinct property, since, after the bond debts were reduced to £1,500,000, the Company were

PART II. to have a power to divide a part of the remaining Surplus;—that the Directors had brought this subject forward merely as one ground of the negociation, and that care should be taken to secure, in the most positive manner, the Separate Fund, by the new Act, to the Proprietors.

On the subject of the sale of the Indian Piece Goods in the home market, it was suggested, that the total prohibition of them would involve the ruin of a numerous set of merchants, who had embarked their capital in this kind of trade:—that the prohibition of plain and wrought muslins, below a certain value, would destroy what kept up the fashion for them to the home manufacturers, and bring a positive loss on the Company:—that, from the year 1785 to the year 1790, the importation of Piece Goods, upon an average, had amounted to £900,000, per annum:—that under the proposed restriction, such muslins would not amount to more than £5000 per annum:— and that the dealers frequently sold home-made, for Indian muslins:—If the prohibition, therefore, should be enacted, those who had been engaged in the trade of the India Piece Goods, must open houses at Ostend and Dunkirk, to smuggle the article into the British market; and the trade thus, to please the home manufacturers, would pass out of its accustomed channel, to the annual injury of the Company's receipt of £700,000 sterling;—what was still more extraordinary, these manufacturers were asking, under this prohibition, that they might be allowed to import raw materials in vessels of their own, and, at the same time, that

cotton

PART II.

cotton machinery might be prohibited from passing to India. Upon these arguments the Court resolved, "That it is the opi-"nion of this Court, that the purchasers of Piece Goods are "peculiarly entitled to the protection of His Majesty's Govern-"ment, and to the support of this Company." (1)

On the subject of Freight it was suggested, that upon a minute examination of the Company's imports and exports, the profits chiefly arose from the connection between the trade, and the revenue:—that the Company were bound to promote the exports and imports, in a political, rather than in a commercial view:—that the Freight offered, in the conferences with Ministers, of eight ships, at £10 per ton, outwards, and £12 per ton, homewards, being below the price at Ostend, in the years 1790 and 1791, was a full encouragement to private trade, corresponding to the principle upon which the negociation had been opened; and that a clause, regulating the rate of freight, for the export of the British manufactures, ought to be introduced in the new Act.

Upon the subject of the Term of the Exclusive Trade, it was suggested, that as the negociation now stood, the term should commence on the 1st of March 1794, that is, on the day on which the old term expired.

— on the 3d of April, 1793.

To understand the discussions which took place, at the meeting of the Court of Proprietors, on the 3d April 1793 (the

Z period

(1) Resolutions of the General Court, 28th March 1793. (Printed Papers, No. VI.)

period when the negociation, between Government and the Company might be considered as almost perfected) we have first to attend to the opinions given on the motion made by the Chairman, for an approbation from the Court of Proprietors of the report of the Committee of Correspondence, upon the resolutions transmitted by the President of the Board of Commissioners, for the consideration and acquiescence of the Proprietors:—and for this purpose, the proceedings, both of the Courts of Directors and Proprietors, from the 23d January, to the time when the decision of the Proprietors upon the resolutions sent by the Commissioners was called for, must be recapitulated.

Recapitulation of the proceedings of the Court of Directors.

On the 23d of January, the General Court of Proprietors expressed their approbation of the preliminary steps taken by the Court of Directors, for settling the principles upon which the negociation was to proceed.

On the 22d of February, the Court approved of the report of the Committee, on the subject of any claims that might arise, on the part of Ireland, either to participate in the India or China trade.

On the 25th of February, the letter of the Chairman, to the President of the Board of Commissioners, dated the 23d of that month, requesting an explanation (for the satisfaction of the Proprietors) of the intentions of Government, on the participation of the Surplus with the Public, was laid before the General Court:—This letter stated that doubts had arisen,

respecting

respecting the participation of the Public, after the Company's debts in India, and in Europe, should be reduced to a certain specified amount, and asked, whether, in the event of other debts being incurred, the participation with the Public was still to take place? PART II.

The President of the Board of Commissioners replied, that the principle was fixed, *viz.* that the debts were to be reduced in India, and left at £3,000,000; the debt in England was to be reduced to £1,500,000, and to remain at that sum:—that if any new circumstance should arise, by which either of these debts might be increased, a sum of £500,000, out of the surplus, was to be appropriated to the reduction of such new debt, until it should be reduced to £3,000,000 in India, and £1,500,000 at home; and that, till this operation should be completed, the sum for the Public must be postponed or delayed, till the sum of £500,000 could be appropriated to the liquidation of the debt, in the same manner as it was proposed might be done at this time.

The Court of Proprietors, therefore, with this body of evidence before them, acquiesced in the principles already specified, for the renewal of the Company's exclusive privileges, with the provision in favor of the Merchants and Manufacturers of Great-Britain and Ireland.

On the 8th of March, the Court of Proprietors, considering the whole of these circumstances, approved of a Petition to the

 Honorable

PART II. Honorable House of Commons, for leave to bring in a Bill for the renewal of the Company's exclusive privileges.

On the 22d of March, the Chairman laid before the Court of Proprietors, a letter from the the Committee appointed by several mercantile houses, acting as East-India Agents, on the subject of Clandestine Trade, and the President's letter on the same subject, of the 18th March.

The opinion of the Court upon this business was delayed till the 28th. The Court, in the mean time, considering the state of the Company's bond debt, adopted the resolution of the Court of Directors of the 21st March, *viz.* "That immediate "notice be given (if it shall receive the approbation of the "General Court) to discharge £700,000 of the Company's "bonds on the 30th September next, and that a lottery will be "drawn, for that purpose, on Tuesday the 26th instant, at the "India-House, when any Proprietor, or person interested in "the same, may attend."(1)

On the 28th of March, the various documents respecting the negociation were laid before the General Court, but the deliberations upon them were postponed for a few days. A resolution of the Directors, respecting the Separate Fund, was also adopted, as a preliminary to these deliberations, in substance as follows: "That in consequence of an agreement made between the East-"India Company and the Public, by the Act, 21st George III, "cap. 65, for the renewal of the exclusive privileges for ten "years,

(1) Minutes of Court, 21st March, 1793. (Printed Papers, No. VI.)

" years, the sum of £767,218. 7s. 10d. then standing upon " their books as the balance of their cash, should be divided " in manner following, that is to say;—the sum of £400,000 " to the Public, in full of all demands to that period;—the sum " of £14,004. 10s. reserved to pay off bonds advertised to be " paid off;—the sum of £65,188, to pay arrears of dividends " to Proprietors; and the further sum of £288,025. 17s. 10d. " to the Company, as their share of the surplus profits of the " said Company's concerns, up to the said period, to be by " them appropriated, under certain restrictions, to the increase " of their dividends, at the rate of one per cent. per annum:— " that, in consequence of this division of surplus profits of the " said Company, up to the year 1781, guaranteed by the faith " of the Public, a sum of £400,000 has been paid to the " Public, by the said United Company:—that £14,004. 10s. " has been applied as far as demanded:—that £65,188 has " been also applied in the same manner, but that, in conse- " quence of the heavy expences to which the Company have " been exposed, in the defence of their dominions in India, and " of the increase which they have been necessarily obliged to " make to their capital, for the purpose of carrying on an in- " creased trade, no part of the said sum of £288,025. 17s. 10d. " amounting, with interest thereupon, on the 1st March 1793, " to the sum of £467,896. 7s. 4d. reserved to the Company, " has hitherto been applied to the purposes intended by the " Legislature:—that it appears, that the sum of £9,500 capital

stock,

PART II. "stock, standing in the name of the late Secretary and the "Treasurer, should be sold, and added to the before-mentioned "sum:—that it appears consistent with the public faith, that at "a time when good management has brought about so favorable "an alteration in the affairs of the East-India Company, and "that it is in contemplation for the Public to participate once "more with them, in the trade and surplus revenues of India, "to an amount, on the part of the Public, exceeding what "was intended by the Act, 21st Geo. III, the same sum of "£288,025. 17*s.* 10*d.*, amounting, with interest thereupon, to "£467,896. 7*s.* 4*d.*, and the produce of the £9,500 capital "stock, justly due to the India Company, as the arrears of their "share of a participation, of which the Public has so long ago "received their proportion, should be effectually secured to the "said Company, previous to any division of the future profits "of the said Company.

"That the Committee of Correspondence, therefore, be "requested to communicate with His Majesty's Ministers, and "to express to them, in behalf of the Proprietors of East-India "Stock, the reliance of the Court, that in the Bill intended to "be submitted to the Honorable the House of Commons, re-"specting the Company's privileges, an adequate and proper "provision will be made, for the securing to them the full "enjoyment and benefit of the Separate Fund, according to the "true intent and meaning of the Act, 21st George III.[1]

On

(1) Resolutions of the Court of Directors, 27th March 1793. (Printed Papers, No, VI.)

Report of the Committee of Correspondence on the Resolutions transmitted, by the President of the Board of Commissioners, for the consideration of the Proprietors.

On reviewing these various topics, in connection with the resolutions which had been transmitted by the President of the Board of Commissioners to the Court of Directors, we are prepared to understand the report of the Committee of Correspondence, in answer to those resolutions. This report was the foundation of the proceedings of the Courts of Proprietors, on the 3d and 11th of April, when the negociation might be considered to be finally arranged between the Public and the Company.

We have, therefore, first to give the substance of the report, next to advert to the leading points upon which the opinions of the Proprietors turned, and, lastly, to the decision to which these opinions led.

The report of the Committee of Correspondence, dated 1st April 1793, stated, that the opinion of the Board of Commissioners was, that the East-India trade, combined and connected as it had been with the remittance of revenue, might most advantageously be conducted by an exclusive Company, "so "regulated, as to insure to the merchants and manufacturers "the certain and ample means of exporting to India, to the full "extent of the demand of that country for the manufactures "of this, and likewise a certainty, that in so far as the produce "of India affords raw materials for the manufacturers of Great-"Britain or Ireland, that produce should be brought home, at "a rate, as reasonable as the circumstances of the two countries "would admit of."

1. In

1. In answer to the first resolution, the Committee suggested, that instead of the appropriations of the revenue being such as "*shall be now or hereafter made, or provided for by* "*Parliament*," such variation, in this respect, as might be necessary, should be with the consent of the Company.

2. That the power proposed to be given to the Commissioners for the Affairs of India, in respect to the appropriation of the revenues, by any future Act or Acts, should also be with the consent of the Company.

3. To the third resolution, the Committee made no reply.

4. That it might be advisable to continue the foreign Government under the existing laws.

5. That the Court of Directors should have the same power of removing, or recalling their servants, as they had at this time.

6. That agreeably to former practice, and to the spirit of the conferences on the subject of the pending negociation, the term, and the notice of three years, should be considered as separate and distinct;—that the arrangement proposed to vary the present mode of liquidating the debts of the Company, by which, besides the discharge of one million sterling per annum of the Indian debts in Europe, the whole of the surplus, which might then arise, should be applicable also to the payment of debts, whereas it was proposed to limit the liquidation of these debts, in the first instance, to £500,000, and then to apply a similar sum to the Public use, before any further progress could be made.

made. A short term, liable to unforeseen events, interruptions, and war, would not be adequate to the liquidation of the Company's debts, previously to the expiration of the term; and they, therefore, trusted, that the exclusive trade would be granted, for twenty years, determinable on three years' notice by Parliament, and payment of the debt due, by the Public, to the Company.

7. That the power of export and import, to be given to the Private Traders, should be confined to a specified quantity of tonnage.

8. That the opening the trade, for import of all sorts of merchandize from India, would be held as going beyond the original principle of the negociation, which was to bring home the produce of manufactures exported, and to promote the home manufactures, by furnishing them with raw materials, but not to confer on Private Merchants, the undefined privilege of imports in general. It was not intended, originally, to render the Manufacturers and Merchants independent of the Company, in respect to general imports; for an offer was made to give them bills of exchange for their money; but, if the right of general merchandize should be granted them, it would operate to the prejudice of the Company, and of the Public, by risking the fund from which the plan of participation could be realized, and extend the commerce of foreigners, beyond the bounds of utility to the Empire: but, at all events, this privilege ought not to extend to Piece Goods, the general import of which would be injurious to the British Manufacturers them-

 selves,

selves, who seemed to be sensible of this truth, from their expressing fears respecting the importations of the Company. From the nature of the case, besides, the Company's importation of Piece Goods must be limited by their means of purchase:—if, then, the Piece Goods Trade should be opened, it would be impossible to guess how far speculations might go, though it was easy to foresee, that they would proceed to ruinous lengths, by raising the price in India, and depressing the sale at home; which, under the proposed regulations, would be done by foreigners, as well as by British Clandestine Traders. It might, perhaps, be of little moment to individuals, whether they gained or lost by a single adventure; but it was material to the Company, under heavy and extensive debts and engagements, that it could look forward, with confidence, to means for the discharge of both. It, in fact, would be desirable for the British Manufacturer, that Piece Goods should rather remain, exclusively, with the Company, than be prohibited.—A manufacture was not, like raw materials, capable of being produced in numerous places, and in a short time, to supply almost any demand.—A moderate competition would advance the price and depreciate the quality of Piece Goods, in India, while a moderate addition to the quantity usually imported, would diminish the value very considerably, at the Company's sales. Under these circumstances, no article was more favorable for a selection than Piece Goods, or less objectionable to the new principle, which it was in contemplation to introduce;—but without such

selection,

selection, the Committee were apprehensive, that it would be impossible for the Company to liquidate their political debts, and still less to furnish a participation to the Public, to the extent which was proposed.

9. That the Company had no objection to furnish three thousand tons of shipping, for the accommodation of the Private Traders, but they could not judge of any farther augmentation, until the mode and regulations for that purpose should be detailed.

10. That they referred to the objections which had been made to the division of the rate of Freight, at £15 per ton, homewards, and to the necessary increase of this rate of Freight, in time of war.

11. That it would be necessary to make provision for any injury by demorage, in the ships waiting for Private Trade, or in the case of goods not being sent in due time. In this last case, the freight deposited should be forfeited, or some payment made, to satisfy the Company for the damage they might sustain, by the regular course of their business being interrupted.

12. That the sorts of goods to be shipped in India should be specified, or the exceptions enumerated, and if the Company should furnish the required quantity of tonnage, it could not be material to the Private Traders, what ships the goods were carried in; but the Company ought to be left at liberty to send the goods, in any ship that might be most convenient.

 13. To

PART II.

13. To the thirteenth resolution, the Committee made no reply.

14 and 15. On these resolutions two questions arose:—first, whether Agents should be left at liberty to take commission from, and encourage a trade by foreigners? — and, secondly, what indulgences should be granted to these Agents, in India? No satisfactory reason had been assigned for overturning the system established by the Act, 21st George III, cap. 65, sect. 29, and former Acts, respecting shipping, subscriptions, &c. which they hoped would be continued:—that whatever character the Agents might possess, they ought not to be suffered to traverse the country at pleasure, and that the 28th section of the same Act should be continued, by which the Company's servants, who were under covenants, were confined to a residence at the principal Settlements, or within ten miles thereof; adding, as a reason, that the European character could not be held too high in India, or the Company's servants placed in too respectable a situation, relatively to the other Europeans, if the Provinces in India were to be preserved, as a dependency of Great-Britain:—that the introduction of the Supreme Court of Judicature had been intended for the relief of the Natives, but, in many instances, it had tended to depress the character of the Europeans, and had forwarded the interested and oppressive views of the Natives:—these facts were so well ascertained, that the Legislature had found it necessary

to

to confine the jurisdiction of this Court to Calcutta, and its environs, because it was found, that impressions had been made on the minds of the Natives, to the prejudice of the European character:—that the most distinguished servants of the Company had entertained these ideas, and facts had proved, that, both in a political, and in a commercial light, every endeavor ought to be used to check, but not to increase, the number of Europeans, resident at the different Aurungs. It was no argument, that foreigners were permitted, by treaty, to be Agents, and that British subjects, though not in the service of the Company, were to be found at the Aurungs; or that it would be better to fill these places with servants under covenants:—that, although the Governments in India possessed sufficient power to punish unlicenced individuals, yet coercive measures were seldom resorted to:—that the Natives could, at this time, distinguish between foreigners, unlicenced persons, and the servants of the Company, but they could not distinguish between a free Merchant, or Agents, and the Company's resident servants:—at all events, the persons who might proceed to India, as Free Merchants, should be limited, as to residence, to ten miles round the Presidency, and the privileges to such Agents should be settled and defined, because the present covenants were not applicable to the case:—all the covenants of the Company's servants must be revised and varied, to make them correspond with the total alteration of system, which the innovation of admitting Agents would produce; and military officers must be prohibited

from

PART II. from becoming commercial Agents, or interfering in commercial concerns of any kind.

16 and 17. That the charge of three per cent. on Private Trade, for the expences of the Company, had been fully discussed.

18. That before the Committee could give any opinion, respecting the removal of the restraints laid by law, on the servants of the Company, in the recovery of their debts in foreign parts, an explanation of the object of this resolution should be given.

19. That if it should be considered expedient to send goods, or money, from India to China, for the purchase of an investment, a specific provision should be made for that purpose.

20. That they hoped the debts in India might be reduced to £2,000,000.

21. That as the new stock, to be subscribed for, would produce an amount beyond what might be sufficient to reduce the bond debt to £1,500,000, the excess might be applied, as far as it would go, to the discharge of the other debts of the Company in England; and that the remainder, requisite for the discharge of debts, must come out of the annual ordinary receipts of the Company, and the balance of cash on the 1st March, 1793:—that these particulars did not appear to have been attended to, in this resolution, neither had the Company's Separate Fund been noticed in it, nor the engagements they were under, respecting the payment of their Indian debts; and that the

the payment of £500,000 should only take place, after the expiration of the existing privileges :—the reservation of £500,000, per annum, to the Public, went beyond what had been expected, and it had been understood, that, after the preceding payment, the Public should receive, out of the surplus cash, a sum not exceeding £500,000 :—that the payment of this sum, at all events, and the creating of any deficiency in such payments, into a debt, might authorize a demand, that would exceed the Company's annual ability; more especially when it was projected, that the Public claim should be increased, from three-fourths to five-sixths :—that the surplus was taken at £1,200,000, deducting therefrom the sum of £500,000, for the liquidation of debts, there would remain £700,000, which would afford a much larger dividend, on the former system of one-fourth, than what was now proposed; but as the Proprietors had not acquiesced in this mode of participation, their share was to be two per cent. additional dividend, while that of the Public was to be £500,000, if there should be so much surplus remaining, annually, after allotting £500,000 for the payment of debts :—and that if the exclusive trade should be rendered a name only, then the proportion of profits to the Proprietors ought to be increased; but under the proposed arrangement, there would be no prospect of an additional emolument, or of establishing the Guarantee Fund, to which the Proprietors could look up.

It must be admitted, the participation of the Public would be a charge, or outgoing, from the capital stock, until the debts

of

PART II. of the Company should be liquidated, and, therefore, it had been explained to the Public, that after the Indian and European debts should be reduced to the sums proposed, the Proprietors were to receive an additional dividend, in the first instance, and this was immediately to follow the payment to the Public of £500,000; after which the Guarantee Fund was to commence, and to be continued, till it produced five millions sterling; and this fund was to become a collateral security for the stock of the Company, and for their dividend of ten per cent., in case of disaster, or that their exclusive privileges should not be continued to them, at the expiration of the proposed term:—previously, therefore, to any payment to the Public, provision should be made, for leaving a sufficient current cash in the Company's hands, for their ordinary payments and outgoings, otherwise, till new money came in, in the course of the year, the Company must either be in an insolvent state, or must borrow money, which, as they were to be restricted from increasing their bond debt, might be impracticable.

22. That the accounts of the revenues, &c. should be prepared conformably to this resolution.

23, 24, and 25. That if these resolutions should be enacted, it would tend to the ruin of the Company's sales, throw the whole of the Piece Goods Trade into the hands of foreigners, and be of no benefit to the Manufacturers; and that, if India muslins should continue to be in fashion, they would find their way into Britain, through smuggling; or if disused, the

demand

demand for home Piece Goods would, of course, diminish and disappear. PART II.

27. That the sum of money to be raised by subscription to the capital stock (and to be applied to the reduction of the bond debt to £1,500,000) should, after paying the bonds, be applied to discharge other debts, and not come to be a Partition Fund.

28. That it might be worth consideration, whether there should not be a power in the India Board, or in the Lords of the Treasury, to authorize the Company to borrow money on bond, to a limited amount, exceeding £1,500,000. The exigencies of the Company's affairs might, at some particular season, require such temporary advance, which might be procured from the Bank, but, without such authority, the Bank might object to lend the money.

After making these specific observations on the resolutions, the Committee concluded their report, by observing, that they solicited only such regulations as were necessary for the safety of the Provinces in India, and for the purpose of liquidating the Indian debts in Europe; objects which were not less important to the Public, than to the East-India Company.(1)

The whole subject, in this form, was now to be laid before the Court of Proprietors; and the object of the Directors, in

 this

(1) Report of the Committee of Correspondence, dated 1st April 1793, on the Resolutions transmitted by the President of the Board of Commissioners. (Printed Papers, No. V.)

PART II.

this appeal to the General Court, was to have the report of their Committee, which had been adopted by themselves, sanctioned by the Proprietors.

Motion made in the Court of Proprietors, in consequence of this Report.

For this purpose, the Chairman moved, in the General Court, the following resolution, *viz.* " That the Court of Proprietors " approve of the answer which has been transmitted by the " Court of Directors to the Board of Commissioners, relative " to the letter received from the President, and to the resolu- " tions which he meant to have proposed to the Honorable " House of Commons."(1)

Opinions of the Proprietors upon the Resolutions and Report.

The opinions of the Proprietors, on the one hand, were :— That an immediate approbation, on their part, would preclude them from future discussions on the most important points, when the reply of the President of the Board of Commissioners, to the observations of the Committee of Correspondence, should come before a subsequent General Court :—that by a short delay, in expectation of farther explanations and concessions from the Board, the Court would be in possession of the whole subject :—that, by approving of the principles on which the Court of Directors had, hitherto, conducted the negociation with Government, and by recommending to them, in the future progress of this negociation, to act in subservience to these principles, the ultimate sanction by the Proprietors, as it then would result from full information of the whole business, would be more effectual : — that this approbation would obviously

be

(1) Minutes of the General Court, held the 3d April 1793. (Printed Papers, No. VI.)

be not only more dignified in its kind, in those who gave it, but more honorable to those who were to receive it :—and that a discussion, at this time, could do no more than express confidence in the Directors, whereas an ultimate sanction would evince, not only progressive confidence, but a full and final acknowledgment of their whole exertions and services.

The opinions, on the other hand, opposed to these reasonings, were :—that the conduct of the Directors demanded immediate support from the Proprietors, and that a decision on the answers and observations on the Resolutions, transmitted by the President of the Board, was necessary to give energy to their future conferences with His Majesty's Ministers, because it would mark that the opinions of the Directors, were those of the Proprietors :—that the principle upon which the negociation had hitherto been conducted, had, at an early period, been sanctioned by the General Court :—that if the conduct of the Directors had been in conformity to this principle, this conduct ought now to receive the most public support :—and that the giving of this sanction did not pledge the Proprietors any farther than to an approbation of the answers now under their notice, but left every part of the subject open to future discussion. These explanations induced the General Court to vote an approbation of the answer of the Committee on the Resolutions.

Subjects which principally attracted the attention of the Proprietors.

The subjects which chiefly attracted the attention of the Court of Proprietors were, the rate of Freight, and the securing the Separate Fund to the Company.

The

PART II.

The following proposition was brought forward on the subject of Freight:—" That this Court do concur in opinion " with the President of the Board of Commissioners, that the " freight, respecting the ships now in the employ of the East-" India Company, should be settled, once for all, on a fair and " equitable footing; and that the Court of Directors should be " requested to take the same into their consideration, as well as " such farther regulations, in respect to the hiring and building " of ships in future, as shall enable the Company to carry on " their trade, henceforward, to the greatest advantage; and " propose and lay before the Court, such arrangements as they " think best suited to that purpose, in order that some perma-" nent system may be established, upon principles of fair, well " regulated, and open competition, but the said system not to " affect the existing ships, which it is the wish and recommen-" dation of this Court to continue in their service, at a fixed " rate, and in preference, so long as they shall be judged fit " for the service."(1)

The arguments adduced in support of this resolution were, in substance, as follows:

That as Acts of Parliament had passed, for the better regulation of the Company's affairs, and laid down a particular line of conduct, not only for their political, but for their commercial interests, (as in regulating the amount of bills which the Company could draw or accept in one year, and the mode by which their

(1) Minutes of the General Court, held the 3d April, 1793. (Printed Papers, No. VI)

their sales were conducted, &c.), it would have been desirable, if the President of the Board of Commissioners had also laid down regulations for Freight:—that as he had thought the rate of Freight could not be made a matter of Parliamentary arrangement, but must be left with the Directors, their discretion and exertions were now called for, on this important subject:—that the President had given his opinion, that if the East-India Company did not contribute their aid to the essential objects of the export of British goods, and import of Indian raw materials, by furnishing freight at a cheaper rate than any individual could do, it would be a proof, of the allegations of the Clandestine Traders, that the Company's trade had not been conducted upon the true principles of commercial economy:—that the Committee of Mercantile Houses, acting as Agents for Clandestine Traders, in the East-Indies, had affirmed, that the high freight and duties, payable to the Company, were the great obstacles to the trade coming to this country, and going to other parts of Europe, and, therefore, that the lowering the Freight of the ships, employed in the Indian commerce (distinguished from that of China) would increase the tonnage one-half, and, in time, perhaps double it. In illustration of this particular point, it was asserted, that it would be allowed the Shipping Interest (as it was termed) should give way to a system of economy, which, at once, would procure the use of ships of a proper size, afford, on reasonable conditions, employment for the present valuable tonnage in the Company's service, and preserve

PART II.

preserve to the Captains and Officers, a preference in an employ, to which they had been brought up:—that it was a gross abuse (it was added) that, because an Officer had not a friend to advance £10,000 for him, as a price which, it was said, had been paid for the command of an Indiaman, he must, however deserving, wear out his life in a subordinate situation:—that the 55th Bye-Law of the Company, by which no ship under eight hundred tons burden could be employed, required to be altered, if not rescinded:—that the new imports, for example, of sugar, and the tonnage to be afforded for the imports of the Private Merchants, made such a regulation as injurious as it was unnecessary:—that large savings had already been made, by the reduction of freight; and it was expected, about £200,000 might still be saved, annually, if a fair competition among the freighters of ships should be admitted:—that the rate might then be brought lower than even £20, though that sum was admitted to be lower than the Private Merchant could furnish freight for himself:—that this rule, however, applied only to the price of the Freight to be paid by the Manufacturers and Merchants, for their exports and imports, but did not, in any degree, provide for the rate of Freight to be paid, by the Company, to the Ship-Owners:—that, on the whole, the discretion of the Directors, to which the Proprietors were ready to appeal, ought, at this juncture, to be exerted in fixing regulations for Freight:—that economy, in this important article, would be equally advantageous to the Company, and to the Public, by adding the saving

to

to the surplus, which was ultimately to be divided between both:—that it had been difficult, because opposing interests had existed among the Proprietors, to draw the line for a regulation of Freight;—and that it would have been better if Parliament had decided the point; yet if this should be left to the Directors, the resolution moved for, would tend to produce the same beneficial end.

On the subject of the Separate Fund it was moved:—"That it be recommended to the Court of Directors to provide "in the negociation with His Majesty's Ministers, that the "surplus to be applied, as a collateral security for the capital "stock, and the dividend of ten per cent. thereupon, may pre-"serve to the Proprietors the actual value of the present and "all additional stock." (1)

In support of this motion it was said, that in the event of the Company being deprived of their privileges, a right ought to be vested in the Proprietors to the whole capital which they were going to embark, under the sanction of the new Act, besides their nominal capital of £5,000,000:—and that the Public would readily admit, that, in the course of twenty years, the Company might be exposed, not only to numerous risks from commercial adventures, but to political contingencies, requiring this additional security to be given to the Proprietors.

Farther Conferences between His Majesty's Ministers and the Directors.

Though on a subject of such magnitude and national importance, as an arrangement of the British Government and [illegible] Trade

(1) Minutes of the General Court, held the 3d April, 1793. (Printed Papers, No. VI.)

PART II.

Trade in the East-Indies, patient investigation and fair discussion were allowed to the Directors and Proprietors, by His Majesty's Ministers, yet, considering the reasonings of the Proprietors, in connexion with the report of the Committee of Correspondence, it will afford an interesting retrospect to the Public, in general, if we sketch out the discussions which took place on this occasion.

Answers of the President of the Board of Commissioners, to the Report of the Committee of Correspondence.

The President of the Board of Commissioners transmitted, on the 15th of April, an answer to the report of the Committee of Correspondence, which had been adopted by the Directors and General Court, in which the controverted points were examined, and, in general, adjusted, to the satisfaction of all parties.

The answer was introduced with an examination of the particular subjects, in which it was apprehended the opinions of the Committee were inconclusive, and reminded the Directors of the real and supposed interests which various descriptions of men had brought forward, and of the difficulty in adjusting them.

The principle, originally admitted as the basis of the negociation, was next adverted to, and the observation repeated, that a system of Indian Affairs could not admit of being disjointedly considered, but must embrace the interests equally of the Company, and of the Public; and that the important concerns of Great Britain, in regard to its Indian Provinces, must be settled, in a manner substantially beneficial to the extension of commerce, and to the improvement of the revenue:—that, under this

this impression, the Board of Commissioners had conveyed resolutions to the Chairman and Court, which it was intended should become the basis for the new Act, and recommended them to the examination and acceptance of the East-India Company:—that these resolutions were inferences only, drawn from the principles expressed in the letter of the President, of the 16th February:—and that the following explanations of the manner in which they had entered into the detail of the business, would shew, what the particular points were, in which His Majesty's Ministers were of opinion, the Courts of Directors and of Proprietors, in their adoption of the report of the Committee of Correspondence, had misapprehended the nature of the system, proposed to be founded on the principles which both these Courts had previously sanctioned.

In illustration of this general observation on the report, the objections which had been offered against each of the resolutions, were examined in their order.

1. On the requisition, that the consent of the Company should be required to any appropriation which Parliament might make of the future surplus of revenues, there was no difficulty in explaining, that the subsequent appropriations related only to a further surplus, beyond the public participation, and after the Guarantee Fund had been completed, which could scarcely take place during the proposed term; and therefore, as it was unnecessary to differ about the terms of a future arrangement,

 it

 it was agreed, that the words "*now, or hereafter,*" should be omitted.

2. Upon the same ground, the Commissioners had no objection to the words "*consent of the Company*" being introduced into the clause, which vested the specified powers in the Board of Commissioners, subject to such directions for the appropriation of the revenues, and to such other rules, as might be provided for by Act of Parliament.

3. and 4. The requisition of the Committee, that it might be advisable to continue the foreign governments, under the existing laws, rather than to alter them, the Commissioners had no difficulty to acquiesce in; explaining, that the only object was, to collect, as much as possible, the existing laws into one Act.

5. To the power of the Directors of recalling their servants, as at present, there could be no objection.

6. With respect to the period of the proposed exclusive privileges, the Commissioners admitted, that a short term might not be adequate to the liquidation of debts, and to the establishment of the Guarantee Fund; but explained, that every calculation had proceeded upon the idea, that twenty years would be more than sufficient, and that this point had only become material from the different opinions which had arisen, respecting the experiment which the manufacturers wished to make.

7. The

7. The difficulty respecting the amount of exports and imports to the Private Traders, particularly the import of all sorts of merchandize from India, it was admitted, required a more full examination.

8. and 9. That the three thousand tons were only one half of what the Directors had proposed; but to make this matter perfectly clear, the Board allowed that the public mischief of the Clandestine Trade, to the navigation, revenues, and general commerce of the kingdom, had not, at first, been fully seen, but thought, that it was of importance to divert the course of this trade into a regular and legitimate channel. The Company had objected to Private Traders importing Piece Goods; the Manufacturers wished to discourage the importation altogether; but the Board thought, that the Clandestine Trade would be continued, although Private Traders were prohibited importing this article, and that the manufactures of India, which found their way to Europe, would be brought to London, as their general emporium, and in British shipping, legally authorized;—If the Company, however, could shew, that by the extension of their own trade for exportation, or by an extension of the indulgence already granted to Private Traders, the ground upon which the proposed resolution on this subject had proceeded, could be done away, the Board had no objection to admit the point, respecting which the Company were so solicitous.

 10. On

PART II.

10. On the subject of the rate of freight, the Commissioners adhered to the idea expressed in the letter of the 16th February, "that the exports and imports must be done at a "rate of freight so reasonable, as to satisfy the merchants and "manufacturers of this country, that the effect of the monopoly of the East-India Company is not calculated to bring "an unnecessary, and, of course, an unjust burden on the "manufacturing interests of Great-Britain and Ireland":—that when the Commissioners urged the Company to give Freight at £20 per ton, it was because the Private Merchant insisted he could afford it at a rate, not exceeding £14 per ton for the whole voyage, out and home:—it might be true, that the Company, upon a consideration of their own situation and commerce, might find it convenient to keep up a shipping capital, on a higher scale of Freight than adventurers might be disposed to accept of, but the difficulty would still recur, why this should be done at the expence of the Private Traders, who were willing to try the experiment of encreasing the exports to India, and who complained, that the system pursued by the Company, in the exports from this country, brought a burden upon the Private Trader, which would be removed, if the exclusive privileges did not exist:—that the question could only be solved, in one of two ways, either by the Company giving the tonnage at a rate satisfactory to the private exporter, or by the private exporter furnishing shipping to himself, under such licence and regulation

as

as might be expedient :—if this last mode were adopted, it would solve many difficulties :—the inconveniences, however, which might arise to our Indian Empire, from an unrestrained intercourse with the Natives, every man possessed of local knowledge had admitted ;—but till such inconvenience could be removed, shipping must be found by the Company, at the moderate rate of £20 per ton, and, till further arrangements could be devised, for obtaining a lower rate of Freight in the Company's own shipping, £5 outward, would remove every ground of complaint :—that then the experiment for the exports of this country might be fairly made ; but if the same purpose could be answered, the export might be made higher, and the import tried lower : and if there was complete evidence that the trade through Ostend would cease, if the rate, home, was stated at £15, and the duties exacted by the Company were reduced, there could be no objection to adopting £15 as the freight home, and £5 as the freight out :—this would give an unequivocal proof of the wish of the Company to make the fair experiment, which the manufacturers of Great-Britain and Ireland desired for their exports ; the answer, therefore, of Government, that they wished to encourage the export of British and Irish manufactures to India, and the import of raw materials from it, to put an end to the Clandestine Trade, was as clearly ascertained in the detail, as the principle was, in which the negociation originated ; and if this could be done, even with

a loss

PART II. a loss to the Company, in the article of Freight, it was a duty they owed to the Public.

11. and 12. There could be no objection to introduce explanatory words, respecting the rate of Freight in war, or in circumstances which might increase the Company's Freight; and no objection could be made to the Company's being at liberty to put the goods of the Private Traders into the ships that might be most convenient for them.

14. and 15. On the question, whether Agents should be at liberty to take commissions from, and encourage trade through foreigners? the Board of Commissioners explained; that our Indian Provinces have never been, nor can be considered, as resting on the same footing with colonial possessions; and that, if foreign nations trade with our Indian subjects on their own capitals, which they must do, if sufficient latitude be not given to individuals to bring home their fortunes, through the medium of a legitimate trade, this would be of advantage to Britain, and obviously so to the industry of our Indian territories. This being the case, it seemed to be better that the Agents should be British subjects, than the subjects of foreign nations, because British subjects would be under the licence and control of the Company's Governments in India, a point which had been deemed essential in the character of Agents :—that whether the trade now existing be viewed as the fair trade of foreigners, or the Clandestine Trade of British subjects, the agency must be either

either through British subjects, or natives, our subjects, in India; so that the object was only to legalize an existing practice:—that whether it would be more expedient to establish such Agents, under regulations and control, or to allow them to continue acting, as they now do, in opposition to law, admitted not of any question:—that an unrestrained intercourse with the Natives of India would be dangerous, was true; and it was, for this reason, that it had been deemed the most safe and expedient measure, to continue the exclusive privileges of the Company, provided such propositions should be acquiesced in, as might draw the trade from foreigners and clandestine merchants into a legitimate channel:—that the mischiefs to which the Directors referred, had been remedied by the amendments which the Legislature have made on the jurisdiction of the Supreme Court; and other inconveniencies had been corrected, by the regulations of Lord Cornwallis, for the protection of the weavers and manufacturers of India:—that the erroneous policy of the 29th section of the Act, 21st of Geo. III, cap. 65, ought to be amended:—that there could be no doubt of the propriety of continuing the 28th section of that Act, which confined the Company's servants, who were under covenants, to a residence at the principal seats of Government, or within ten miles of them; nor to the 30th section, which came under the principle of control, provided a fair latitude be given for bringing home the fortunes of individuals, through a legitimate channel.

16 and 17. On the subject of increasing the three per cent. duties, proposed to be paid to the Company on Private Trade, the Commissioners observed, that if the Committee meant merely a defalcation from the cash estimate, the conclusion they drew did not follow:—that the manifest advantages arising from a low duty, and from a moderate rate of Freight, even below £15, would be compensated, by encouraging the importation directly to London, and, of course, would discourage Clandestine Trade:—that the Company's estimate of this duty was only £70,000 per annum, and that a larger importation would bring up the profit to the full of that estimate; but even supposing a loss of £40,000, it ought not to be put in competition with a national object, that of abolishing the whole, or great part, of the Clandestine Trade.

18. The object of taking off all restraints laid by law on the servants of the Company, to recover their just debts in foreign parts, it was explained, was to enable the Company's servants, who have shipped goods which have been sold on the Continent, to recover the value of them.

19. That there could be no objection to the Company sending money, or goods, from India to China, for the purpose an investment from thence, if it should be found more beneficial to remit money home, through China, than direct from India; and that provision might be made in the Act to allow the Company to remit from India to China, for procuring an investment there.

20 That

20. That there could be no objection, also, to the debts in India being reduced to two millions, if the Company should think it more expedient.

21. On the idea of the Directors, that the amount arising from the purchase of the new stock, beyond what would reduce the Bond Debt to 1,500,000, should be applied in discharge of the other debts of the Company in England, and on the clause which they proposed, respecting the engagements the Company might be under, for the payment of the India debt, the following observations occurred:—that, in the first place, the Directors founded their opinion on former negociations and modes of arrangement, under circumstances different from the present time; in particular, that they had not adverted to the effects of the Commutation Act, which, independently of all claim to the territorial revenues, had raised the expectation of the Public for a compensation from the Company:—that, in the next place, if the circumstances were, as under the Act 1781, the Public would have £900,000 out of the £1,200,000, and the Company £300,000; but, by the present plan, £500,000 of the £1,200,000 went to the reduction of the debt, before any participation:—that, in the third place, the exclusive trade might be considered as a separate advantage for the Company, connected with the two per cent. additional dividend:—that it was never meant, under the new system, to form such a distribution, as two per cent. additional dividend, and the exclusive trade to be the separate share of the

 Company,

PART II. Company, but that it was intended the Company, and the Public, should participate in a fixed proportion; and in order to be certain on the subject, it was settled, that it was to arise out of the whole amount of the trade and of the revenue:—that, so far from no notice having been taken of the engagements the Company were under, "respecting the payment of the Indian "debt, which should be provided for, in the first instance, and "the new arrangement of £500,000, to take place from the "expiration of the existing one," it was obvious, from the last cash estimate of the Company, and from the papers laid before Parliament, that the whole amount of the principal, due on account of the debt transferred, was £1,354,050:—that, of this, the payment of one million was provided for, in the present year, by the estimate, besides repaying the £600,000 borrowed of the Bank, on mortgage of the Company's Annuities, and that a balance was estimated to remain in the treasury, of £679,396:—that the exigencies of this year were, therefore, provided for, on the present plan of paying one million of Indian debt:—that the two millions, besides, might be raised by the new capital, of which £1,700,000 would be required to reduce the bond debt to £1,500,000:—that the remaining £300,000 would be applicable to the increase of dividend, not provided for in the estimate, *viz.* £150,000, (two per cent. on the £5,000,000, and ten per cent. on the additional capital of £1,000,000, for half a year); this would leave £150,000 to be added to the balance of cash, and would

make

make the amount £829,496, on the 1st March 1794:—that the payment, therefore, of £500,000 to Government, in the present year, even supposing also the repayment of the whole sum of £600,000 to the Bank, would only operate as a reduction of the total balance on the 1st March 1794, which would otherwise amount to above £829,000 in the current year:—that the subscriptions in India, besides, would not probably be so great, as to occasion a demand of more than £500,000 next year;—that no objection had been made, or was intended to be made by Government, to the right of the Company to the Separate Fund, or to its being ascertained and liquidated, in any manner the Company might please, provided that no proposition should be made to disturb the cash estimate of the present year, or to interfere with the appropriation which had been held out to the Public, to take place in the course of it:—that the objection to any deficiency in the participation with the Public being made good, from the excess of surplus in the succeeding year, was obviated, by stating, that under a proper administration of the Company's affairs, no such deficiency was likely to exist; but, to preserve consistency in the whole plan, provision for it must be adhered to;—that it had been explicitly agreed to, that the sum allotted for the extinction of debts, and for the increase of dividend, should have a preference over the participation of the Public; a rule which did not interfere with the Government being indemnified for the loss of one year, from the exceedings of another, nor with the interest

 either

PART II. either of the Proprietors, or Creditors ;—that as the management of the commerce rested, exclusively, with the Directors, attention to the interest of the Public required, that a large sum, in a particular year, should not go to the Guarantee Fund, if accidents, in a former year, should have prevented the Public from receiving its full rate, for sound policy required, that the participation of the Public should be guarded in every respect :—and that no objection was intended, to a reserve being made for the discharge of such new debts as might be contracted.

23, 24 and 25. The objections of the Committee to the clauses which prohibited Piece Goods from the Company's sales, were admitted, because after reviewing the different aspects of this subject, the Board were of opinion, that a compliance with the wishes of the Cotton Manufacturers would be productive of serious mischief to themselves, to the dealers in Indian Piece Goods, and to the revenue, and because the competition in the home market, appearing at the Company's sales, was of material consequence.

28. On the suggestion of the Directors, that a power should be given to the Commissioners for the Affairs of India, or to the Lords of the Treasury, to authorize the Company to borrow money on bond, to a limited amount, it was observed, that if the exigencies of the Company's affairs, at any time, should require this temporary advance from the Bank, no objection would be made, provided the sum borrowed be to a moderate amount, and for a limited time.

Having

Having thus explained all the points, essential either to the interests of the Company, or to the Public, on the principle suggested in the letter of the President of the Board of Commissioners, of the 16th February, the answers concluded with observing, that the terms on which the exclusive trade ought to be granted, would not bring into risk any of the expectations held out to the Proprietors of India Stock, since those expectations were well founded, and perfectly secure, independently of any exclusive privilege of trade; because the policy of continuing the privileges of the Company rested on principles of expediency, not totally, but in great measure, distinct from the pecuniary interests, either of the East-India Company, or of the Public.(1)

Report of the Committee of Correspondence on this explanation.

Two days after receiving this communication, the Committee of Correspondence made a report upon it, which was adopted by the Directors, and transmitted to the Board of Commissioners. After expressing their satisfaction with the manner in which the points in debate had been discussed, they submitted the following concluding observations.

They acceded to the term for the new privileges, as explained in the sixth resolution:—they referred their anxiety to exclude any competition with the Company in the importation of Piece Goods, to necessity, which would shew, that this part of their privilege was required, to enable them to discharge their debts,

and

(1) Letter from the President of the Board of Commissioners to the Chairman, 15th April 1793. (Printed Papers, No. VII.)

PART II. and to fulfil the expectations held out to the Public, under the new arrangement:—and that though the Company had been vested with this exclusive power, yet individuals had been, and hereafter would be, permitted to import Piece Goods, as long as such importation should not be injurious to the Company's sales, or to the views of Government for participation.

They subjoined, on the subject of Freight, that if the Manufacturers of Britain and Ireland should have the rate outwards too low, they would suffer by paying £15 per ton, on the Freight of raw materials homewards; for £15 home Freight might divert the trade from London, and introduce the import of the produce and manufactures of India to the continents of Europe and America. On these grounds they submitted, that a small variation in the division of the freight, *viz.* £6 out, and £14 home, would be better terms for the attainment of the object recommended by Government.

After acknowledging the concession which Government had made, on the fourteenth and fifteenth resolutions, that the prohibition of the consumption of India Piece Goods in this country, would be injurious to the Public, and to the British Manufacturers themselves, without producing any good effect whatever, they prayed for some relief, both to the Company and to the Private Traders, in their competition with foreigners, on account of the heavy duty on Piece Goods, in their transit through Great-Britain.

On the subject of the appropriation of the Separate Fund, the Directors requested, also, that while care should be taken, not to interfere with the participation of the Public, the amount of this Fund, *viz.* £467,896, and £9,750 capital stock, should remain at interest, at four per cent., in the hands of the Company, to be applied as additional dividends to the Proprietors, at the rate of ten shillings per cent. per annum, to commence after the first £500,000 should have been actually paid to the Public, and to continue until the Separate Fund and interest should be exhausted; and as there could be no doubt, that this Fund would be sufficient to insure the dividend, during the term proposed, they thought this plan would prevent fluctations in the value of the Company's stock.

They submitted, next, that by charging the deficiency of the participation which might happen in any year, as a debt, to be liquidated by the exceedings of any following year, the principle upon which a plan of participation had been originally formed, and agreed to, had, in some degree, been deviated from, and that the pecuniary interests of the Public had obtained a decided preference over those of the Company;—taking, then, a retrospect of this part of the subject, they stated, that whatever surplus might remain, must arise from the political or commercial affairs of the Company; supposing, then, that the surplus revenue would produce £1,000,000, half that sum must go to discharge debts, and the other be paid into the Exchequer for the benefit of the Public;—in this case, the Company would

receive

PART II. receive no benefit from the India revenues; and hence, when the debts should be reduced to the sum proposed, the Company would participate, but to a trifling extent, in the proportion of the present produce of the India revenues:—All the Company's advantages, and, even their dividend, must arise from commercial resources, and, after all, if the trade should produce more than sufficient for their dividend, the surplus would be applied to general purposes, and, in the mean time, to the liquidation of their political debts:—they, therefore, did not think, that the Proprietors of India Stock had received any benefit from the Commutation Act, because their dividend, before 1784, was eight per cent., and had not been more since that period:—that they had, however, been enabled, by the operation of this Act, to liquidate their debts contracted during the war, but the Public had derived a proportionable benefit from the suppression of smuggling, and the increase of home revenues.

If the whole surplus should not produce sufficient for the additional dividend, for the debts, and for £500,000, for the Public, whatever sum might be received by the Public, would place the cash of the Company in a dangerous situation, and expose them to the mercy of every administration for relief. Could, indeed, a permanent peace be relied on, the surplus would be sufficient to answer every purpose, but in the event of a war, the consequences must be rendered as little injurious to the Company as possible:—that, in twenty years, the Public would receive ten millions, while the Company would only receive two millions,

liable

liable to the circumstance of any contingent loss; and, therefore, they requested, an assurance might be given, that any deficiency which might arise, in any one year, on the participation of the Public, should become a charge only on the surplus of succeeding years, and hoped some farther explanation would be given on the subject of the Guarantee Fund.(1)

To this Report the Board of Commissioners replied, that though they could not recede, either from their reasonings, or from the conclusions to which they led, with regard to the participation with the Public, yet if, in the progress of the business, no material objection occurred against the suggestions of the Directors, the Board would be happy to acquiesce in them. In general, the Board explained, that the participation with the Public was never meant to operate as a debt against the Company, either with regard to their dividend, or the payment of their creditors:—that the object of the resolution on this subject was, that the deficiency of one year should be supplied by the exceedings of subsequent years, instead of such exceedings going to the Guarantee Fund:—If, for example, the surplus of 1794, after paying the dividend of ten per cent. and the £500,000 for the extinction of debts, should yield only £400,000 of participation to the Public, and if, in 1795, the surplus should amount to £600,000, after paying £500,000 to the creditors, and the dividend of ten per cent., then the whole

(1) Report of the Committee of Correspondence, dated 17th April, 1793, on the observations of the President of the Board of Commissioners. (Printed Papers, No. VII.)

£600,000 would be due to the Public, in place of £100,000 of it going to the Guarantee Fund, which it would do, if the deficiency of 1794 had not existed.

On the question, whether the Guarantee Fund was to extend to the nominal, or to the real value of the Capital Stock, the Board explained, that it would go to the real value of the Capital Stock, at the rate at which it should be taken in the proposed augmentation; and that it would be necessary, only, to compare the mode of participation proposed, in the present negociation with that settled in 1781.(1)

The negociation, after these mutual explanations, on the part of the Commissioners, and of the Directors, had now reached the point, when the application of the Company for a renewal of their exclusive privileges, under all the conditions and modifications, which have been detailed, was to be submitted to the Proprietors of East-India Stock for their final approbation.

Recapitulation of the evidence, as it came before the Court of Proprietors, for their assent to the Treaty with the Public.

A General Court was summoned for this purpose, on the 20th of April. A statement of the progress of the negociation had already been prepared for the use of the Proprietors, *viz.* the Resolutions proposed to be laid before the Honorable House of Commons;—the Report of the Committee of Correspondence on them;—the answer made to this Report;—the subsequent observations

(1) Letter from the President of the Board of Commissioners to the Chairman, 18th April, 1793, in answer to the Report of the Committee of Correspondence, 17th April, 1793. (Printed Papers, No. VIII.)

observations of the Committee on this answer, and the reply of the Commissioners.

The Proprietors, with these documents, had the whole subject under their consideration, and were, now, to decide on the conditions under which they were to conclude their agreement with the Public.

Opinions of the Court of Directors, as submitted to the judgment of the Court of Proprietors.

That no part of the evidence might be incomplete, the Court of Directors laid, also, before this General Court, the Report of the Committee of Correspondence on the reply of the Board of Commissioners, of the 18th of April, explaining the difficulties which had occurred, on the subject of the participation with the Public.

The substance of this Report was as follows:—the Committee stated, that though their observations, on the subject of the participation with the Public, had not produced the arrangement the Company had solicited, and though the estimate, by which the mode of participation decided on by Government, had been accompanied, might have received farther elucidation, yet they offered their opinion to the Court of Directors, that it would be expedient to close the negociation.

With the view of bringing the decision of the Proprietors to this point, the Chairman moved, "That the Court of Proprietors, agreeing in opinion with the Committee of Correspondence, as stated in their Report, approved by the Court of Directors this day, do empower and recommend to the Court

 "of

" of Directors to continue the negociation with Government, " for the purpose of a final arrangement."(1)

Substance of the preliminary arguments of the Proprietors, for and against an immediate adoption of the motion for concluding the Negociation.

The opinions of the Proprietors were divided, on the question, whether it would be proper to agree to this motion, or to read the Resolutions, and annexed papers explanatory of them, in their order, and then to adopt them, with such modifications as might be deemed expedient or necessary.

On the one hand, it was contended, that the ability with which the Committee of Correspondence had conducted the conferences with Government, and the full and detailed manner in which the Court of Directors had explained their motives, for adopting the several Reports of their Committee, precluded the necessity of minute discussions, by the Proprietors, upon each of the Resolutions :—that though some of the Proprietors, from their habits of attention, and from their talents for public discussion, might be qualified to enter into all the points in the negociation, yet that the majority of that respectable body had not been accustomed to attend to controversies, and had, therefore, reposed their confidence in the Court of Directors :—that, in fact, many of the Proprietors were strangers to the details of this extensive subject, and that, for these reasons, the motion of the Chairman ought to be agreed to :—because it was an expectation reasonably entertained by the Directors, who must feel this approbation to be a fair return for their services.

On

(1) Minutes of the General Court, held the 20th April 1793. (Printed Papers, No. X.)

On the other hand, it was contended, that by reading the Resolutions, and the subsequent reports explanatory of them, the actual state of the negociation would be obvious to the Proprietors in general, and each individual would determine, from a sense of what so materially regarded his own interest, and from a conviction of the able manner in which the Court of Directors had conducted the business :—that this mode of proceeding would still keep the business open for discussion, and would not bind the General Court to any implicit acquiescence:—that though the papers had been printed, many of the Proprietors were yet strangers to the whole of the conferences which had taken place, between the Commissioners, and the Committee of Correspondence, from the first adoption of the principle upon which the negociation had proceeded :—and that much benefit would be derived from the opinions of the Proprietors, who had devoted their attention to every stage of the negociation, and who, therefore, under such circumstances, must feel it to be their duty, to throw light upon all the leading points, which it was of importance to the General Court to be instructed in, before they assented to what so materially affected the interests of the Company.

These last arguments prevailed, and the plan of reading the Resolutions in their order, with the reports and correspondence explaining each, was adopted.

Particular subjects upon which the opinions of

The substance of the debate will be best understood, by stating the particular points upon which the opinions of the Proprietors

PART II. Proprietors differed, *viz. the Duration of the New Term;—the Importation and Sale of Piece Goods;—the Participation of the Surplus;—the Guarantee Fund, and the Admission of Agents in India.* We shall detail the opposite opinions on each of these topics in their order.

the General Court seemed to be at variance.

— On the Term to be given the Company under the New Act.

1. On the Duration of the New Term, some of the Proprietors thought, that the right of Government to grant what term they might consider to be most beneficial to the whole Empire, made it impracticable for the Company to oppose their intentions; and that however desirable it might have been for the Company to have had the additional three years, it could only be solicited, but not contended for. Others of the Proprietors thought, that as the uniform practice of Government had been to grant the exclusive privileges of the Company for a certain number of years, allowing three years of notice at the expiration of the term, and as it had been the original intention to continue this practice, it was so far a matter worth contending for, that the withholding it was, in fact, depriving the Company of the advantages of three years' profit of the trade and revenue, which, on a fair calculation, might be estimated at £1,800,000:—supposing, then, they added, that at the end of the twenty years, the exclusive privileges should determine, and the Company's affairs be wound up, and a final dividend made of their property and effects, a loss of three years would be found materially to affect the prospects of the Proprietors. The Court, however, seemed to think, that as the term

term to be given was longer than had formerly been granted, this distant contingency was not to be apprehended; the acquiescence of the Proprietors, therefore, was given to the term for which the privileges were proposed to be renewed.

— On the Importation and Sale of Piece Goods.

2. On the Importation and Sale of India Piece Goods, there seemed to be but one opinion among the Proprietors, *viz.* that considering the situation of the East-India Company, if Piece Goods, as well as every other article of trade, were to be open to Private Merchants, the Company had no longer any exclusive privileges:—that, for years past, the Company had allowed individuals to import Piece Goods, and they would continue to do so, with a due consideration to the state of the market; but that, if this part of their exclusive privileges should be taken from them, they could not meet the expectations of the Public: and that it was the duty of the Company, to keep in their power, such sorts as were proper for consumption in Great Britain, otherwise their remittances would not answer the ends of the proposed arrangement with the Public, and would not prevent the imports of the Clandestine Trade, or render London the depôt of India goods.

— On the Participation of the Surplus Revenue with the Public.

3. On the Participation of the Surplus Revenue with the Public, some of the Proprietors were of opinion, that the object of Government was to obtain a large participation of the profits for the Public, without any risk; while it was proposed to lay the whole of any contingent misfortune upon the Company, instead of making them Agents and factors for the Public:

—that,

PART II. —that, in 1781, Government were contented with three-fourths of the surplus, when the Company were without the debt incurred in the war of 1783; whereas, at this time £500,000 per annum was demanded, without regard to the future debts of the Company in India, for which they must pay eight per cent., though the money might be raised, at home, at four per cent.:—that the £500,000 was, thus, to become a fixed annuity, though the circumstances of the Company might be in the worst situation:—that such a condition would injure the Guarantee Fund, which had ever been held a collateral security for their capital, and, of course, deprive them of a fair division of their property and real effects:—that, on the whole, this was departing from the principle, on which the negociation had commenced:—that, then, it was a share of the profits; that, now, it was to be a positive debt of the Company to the State, and a demand on their capital of £500,000 per annum:—that, then, it was the equal participation of the surplus; that, now, it is an annuity, to continue, from one year to another, though the Company, from events in Europe or in India, might incur a new load of debt:—and that this conduct was warranted by no precedent, and could only be yielded to, from the necessity or actual state of the negociation, and from the period in the session of Parliament, when it had become absolutely necessary for the Company, to come to some final agreement with Government.

Others of the Proprietors were of opinion, that from the manner in which Government had laid down the principle on which

which the negociation opened, and from the concessions which had been made, that the interest of the Company had not been separated from that of the Public:—that, in the whole of the negociation, Government had endeavored to combine both, and to act with a due regard to each:—that looking at the transaction, as one great subject, and comparing the existing state of the Company's Affairs with that of 1781, and considering the East-India Company, as trustees for a part of the British Empire, acting for themselves, as well as for every other British subject, the arrangement was equitable, though parts of it might seem to be oppressive, when considered disjointedly:—that in the conferences with the Directors, the Commissioners had sought information only:—that it was the duty of Government to judge, and to submit that judgment to the wisdom of the Legislature:—that if Ministers could have consented to take the £500,000, for the Public, as the equal residue of the surplus, the terms, no doubt, would have been better for the Company, but not so satisfactory to the Nation:—that there had been no deviation from the principle settled, on the 16th February, nor had the £500,000 been given in (as had been explained in the progress of the business) as a part of the India Budget, in the statement presented to the House of Commons, as the amount of cash to be depended on, by the Public, for the current services of the year:—that no new principle, therefore, had either been devised, or old one abandoned:—that it was not, then, a share of the surplus only (as had been supposed), in whatever situation

 the

PART II.

the Company might be, and now a debt on the Company, but it was a resource of Government, on which, under a due administration of Indian Affairs, the Public might rely:—that it had, besides, been explained to the Company, that £500,000 should first go to discharge the debt in India, and next £500,000 to the Public; but that if, from a deficiency of surplus, in any one year, £400,000 could only be received, then the exceedings of the next year, instead of going to the Guarantee Fund, should make up the deficiency of the former year, and whatever surplus might remain, in conformity to this system, should go to the Guarantee Fund to be secured in the manner it had been provided for.

On the Guarantee Fund.

4. *On the subject of the Guarantee Fund*, some of the Proprietors were of opinion, that its stability was the point on which the Company must rest, if, at any time, the exigencies of their affairs required extraordinary aids:—that the proportion of the surplus required by Government, endangered the very existence of this Fund, hitherto held to be the best security of the capital stock:—that in the event of a war in India, the payment of £500,000 to Government would absorb the whole of this fund, so that, at the close of the new term, instead of finding a collateral fund of ten millions, the Company might have a debt to that extent:—that if the Guarantee Fund should not remain in the power of the Company, in cases of exigency, they must borrow money upon extravagant terms, though they had a right to a sum absolutely their own, which now was to be deposited in

the

the hands of Government:—that even if Government required this fund, as a gratuitous loan, it would be better to agree to pay four per cent. for the money, and to adhere to the principle upon which the participation had originally been introduced, as a part of the negociation, or to break off the treaty altogether, unless the Guarantee Fund should be subject to the call of the Company, in cases of emergency.

On the other hand, it was contended, that the whole of of this reasoning proceeded on a partial, not on a full view of the negociation:—that, instead of considering the Guarantee Fund, separately, it ought to be viewed in its connection with the whole of the other conditions, on which the privilege was to be renewed; in particular, that the concessions which had been made by the Commissioners, in those points, which affected the commerce of the Company, and left with them the revenues connected with it, would place them in a situation, in which, under a due administration, there could exist little danger of those calamities, from which it had been predicted the Guarantee Fund would suffer dilapidation:—that with regard to the £500,000 to be paid to Government, from the surplus, it had not been stated to Parliament, in the India Budget of the existing session (as has already been noticed) as one of the annual resources of the nation, that in the event of the debt being reduced to the specified amounts, the increase of dividend from the Guarantee Fund was only to take place:—that in case of exigencies affecting the

 general

general security of the Empire, still the payment of £500,000 of debt was to go on, and the participation with the Public to be postponed, and made up from the exceedings of subsequent years:—hence, that under the whole arrangement, the accumulation of the Guarantee Fund was only to be affected, if adverse circumstances prevented the surplus rising to the amount, at which it had been taken in the Company's own accounts, which had been proceeded upon, as the basis of the proposed arrangement;—that, therefore, taking the term to be granted to the Company into view, the measures to be adopted, for the liquidation of the Indian and home debts, the preference allowed in the discharge of them, and the participation with the Public, it was clear, that the only circumstance which could interrupt the increase of the Guarantee Fund, was a calamity common to the Company, and to the whole of the Empire;—and that, referring to the approaching expiration of the Company's privileges, with the manner in which the various opposing interests of the Merchants and Manufacturers, and of the Company, had been adjusted, it would be unwise in the Proprietors, to give way to their fears and apprehensions, respecting the Guarantee Fund, at the moment when the negociation with Government was to come under the deliberation of Parliament.

On the Establishment of Agents, in India, for the Private Traders.

5. *On the subject of the permission to Agents for the Private Traders to settle in India*, several difficulties occurred on the point, whether it would be proper to allow the Company's covenanted servants, employed in the provision of their investments,

ments, to act as Agents for British subjects, and for foreigners, without distinction?—Many of the Company's junior servants, who acted as Agents, had small allowances, and depended upon the rewards which proceeded from the mercantile business they did for others, and therefore it had always been a practice, to allow them the indulgence of acting as Merchants.

In answer, it was said, that such a prohibition of Agency, was perfectly consonant with mercantile practice:—that no prudent trader would allow his servant to buy and sell the same articles in which he dealt, for that this would be to allow a servant to consult his own interest, in contradiction, and even in opposition to that of his employer. As, however, the twenty-ninth section of the Act, 21st. George III, was to be repealed in the new Act, and the Company's servants, who acted as Agents, to be placed under the control of the Directors, the supposed evils of Agency would be removed.

The Directors empowered by the Proprietors to accede to the terms proposed by Government, for the renewal of the Company's exclusive privileges.

After some general observations on the subject of Freight, and on the amount to which the debts might be reduced, &c., the Court adopted the proposition of the Chairman, " that the " Directors be empowered to continue the negociation with " Government, for the purpose of a final arrangement."(1)

II. Having reviewed the measures of Government, and of the East-India Company, previously to the subject of Indian Affairs being brought before Parliament, we have next to report *on the Proceedings in Parliament, connected with those of*

(1) Minutes of the General Court, held the 20th April 1793. (Printed Papers, No. X.)

PART II.

of the East-India Company, while the Renewal of the Exclusive Privileges formed a subject of deliberation and decision by the Legislature.

Substance of the Speech of the President of the Board of Commissioners on opening the business in the House of Commons

On the 23d of April, 1793, the President of the Board of Commissioners for the Affairs of India, opened the business of the Company's exclusive privileges, in the House of Commons, and prefaced the resolutions which he had to submit to the deliberations of Parliament, with observations to the following purpose.

That it was not his intention to question theories in politics or in commerce, but to rest a system for the British government and trade in the East-Indies upon practice :—that it would be unwise to forego substantial advantages, for those which existed in speculation only :—that it would be impossible to say what might be the consequences of a variation from the present practice :—that the ships of the Company amounted to eighty-one thousand tons :—that they were navigated by seven thousand seamen :—that the raw materials annually imported from the East, for British manufactures, amounted to £700,000; the annual British exports, to £1,500,000, and that the fortunes remitted to Britain, through the Company, or through other means, amounted to, perhaps, one million. These facts had made him cautious in listening to speculations.

On this ground he stated the general question, "*Upon* "*what principles ought the State to govern its Indian Posses-* "*sions,*

"*sions, and under what regulations ought the trade to the*
"*East-Indies to be conducted?*"

On this subject he observed, that the Government of the British Possessions in India was, at present, vested in a Corporation, connected with the Executive Power, and the superintending authority of Parliament:—that the British Possessions enjoyed a prosperity unknown in Hindostan, under the wisest of its Sovereigns, and were in a state of progressive improvement:—that the following difficulties required consideration, before any change could be listened to, *viz.* the effect of a separation of the Governmen: from the trade; the compensation to the Company; the commercial evils from delay; and the effect on the Natives, of receding from a system which they understood.

To remove these difficulties, he had asked of those who had local knowledge and experience in governing India, what buildings would be required by the Company for their trade, and what by the Government, exercising the civil, military, and financial powers? What stores would be required for the protection and defence of the Settlements? And whether they were to be paid for on the principle of the original cost, or on that of an equitable mercantile profit? What officers would be required for the Government, and what for commerce, both to ascertain the functions of the separate departments, and the expences which each would cost? And what burdens the Company had incurred, in acquiring and maintaining the territorial possessions,

sions, that he might form some estimate of the compensation, which the Company, in reason and in equity, might claim.

He next stated, that the commercial embarrassments from delay would be,—an interruption to the discharge, or liquidation, of the Company's debts; a check to the progress of an increasing trade; an opportunity to rival European powers to grasp at a share of the profits, from which they were, in a great degree, at this time, excluded; and a dangerous experiment on the minds, not only of the Natives, our subjects, but on the opinion of the Native Princes, among whom we hold, at this time, the political balance.

On reviewing these difficulties, he had resorted to the History of the different Presidencies, and had found, that from the period of the acquisition of the territories, the first characters who had governed India, had differed respecting the political principles on which the Provinces could be held by Britain; the persons in whom the Executive Power in India ought to be vested; the restrictions under which a subordinate power of legislating ought to be laid; the manner in which the territorial revenues ought to be collected, as well as that in which the other revenues ought to be levied; and the Courts by which the judicial power ought to be administered:—but finding differences of opinion respecting the solution of each of these questions, he thought it most safe to continue the existing system, because it had been proved to be practicable by experience.

On

PART II.

On the subject of the Domestic Government he was of opinion, that the present plan of administration was to be preferred (under all the circumstances of commerce, connected with foreign revenue) to that of placing the administration of the Government, and of the revenue, in the State:—that this plan had been found adequate to the objects of war and of peace, and that it only ought to be amended, as far as it might be found experimentally defective.

Having made these observations on the Foreign and Domestic Government of the Asiatic interests of Britain, he proposed, that the present system of direction and superintendance should be continued; with the variation, only, that His Majesty should be vested with the power of promoting a certain number of members, who were not of his Privy Council to seats at the Board of Commissioners; and that the appointments to the Foreign Governments should remain with the Company, because this afforded a mutual check, both on the Executive Power, and on the Court of Directors.

The next general question was,—*Under what plan ought the trade to the East-Indies to be, in future, regulated?* On this subject, the President of the Board stated, that commercial theories were against the existing system, but that the experience of two centuries was in its favor; and concluded, that the Company were the means, by which the Indian Empire of Britain ought to be administered: and though it had been held as a political absur-

dity, that a commercial body should administer an Empire, because the very nature of this power rendered it impracticable for Company's servants, either to conduct commerce upon correct principles, or to govern our subjects in India, wisely or well; yet if the revenues of India must pass to Britain through the trade; if British staples, or British manufactures from Eastern materials, have enriched our artizans and our Merchants; if a regulated trade can alone produce these ends; if, since the acquisition of the Dewanny, this trade has been rapidly improving, and increasing, he inferred, from what the increase of the trade had been, and from what its present state actually was, that facts formed the ground of his opinion, and had been the basis of the arguments used in all the preparatory stages of the negociation, whereas the arguments against the exclusive privileges of the Company had not been supported by evidence.

It had been said, that the revenue might continue to pass through the medium of the Company, though their exclusive privileges were to cease and determine, and, if this should not be admitted, that it might be distributed among Private Merchants, and, through their credit, be realized in Britain, as safely as through the Company. But this plan was in opposition to the preceding evidence, and would be resorting to an experiment of uncertain result. Supposing the attempt to be made, the first consequence would be, colonization from Britain and Ireland to India; the next, that the European character, which can never, in the opinion of the Natives, be held too high, would

would sink, and our power, of course, would decline;—the consequence, also, would be, that adventurers from Europe would find their way into the armies of the Native Princes, and our free traders supply them with military stores.

It had been said, farther, that the exports of British produce would be increased, if the trade were laid open. The climate, however, was against the woollens, and the prejudices of the Natives against the demand for our earthen-ware; and as to our manufactured cottons, the fabric was one which we had imitated, but in which we could not excel the Indians. These circumstances, if considered, would moderate the expectations from an open trade.

It had, in the third place, been objected, that monopolies were destructive to commerce, and that the Company's regulated trade came under this description. This opinion was deduced from the resolutions of certain manufacturing and mercantile bodies and associations, who owed the creation of their manufactures, and consequently their riches, to the East-India Company.

In estimating the merits of the Company, he wished those, who entertained a different opinion from himself, would examine the real profits which they received from the trade, and they would find that the capital was £5,000,000:—that the dividend on such a capital, after all risks, was not more than £400,000, out of a sum of no less than £3,750,000, portioned out among various interests:—that of this sum, the Merchants and

 Ship-Owners

PART II. Ship-Owners received, annually, about £850,000 :—that the charges of merchandize were £350,000 :—that the goods exported, including private trade, did not amount to less than £1,550,000, and that the duties and customs to Government were more than one million, annually. With such facts before the House, he trusted that their good sense would not be led away with speculative declamations.

Having thus given his opinion, respecting the Government and the Commerce, the attention of the House was next directed *to the probable state of the Company, supposing it possessed of no exclusive trade to India.*

On this subject the argument was, that though the exclusive privileges should expire in 1794, still the Company would, under their Charters, be a Body Corporate, and entitled to trade upon their Joint Stock :—that the most important Seats of Trade would undoubtedly belong to them (Calcutta, Fort St. George, Bombay, &c.) :—that, exclusive of the Dewanny, they had an unalienable right to landed possessions, worth £250,000 per annum :—conformably, therefore, to the circumstances he had detailed, in connection with this, the Government and territorial revenues must remain with the Company, as the remitters of the Public revenue; he thence inferred, that it would be unavailing in the Private Trader, to enter into a competition with the Company, more particularly, since the effect of the Commutation Act had nearly suppressed the Contraband Trade.

This

This speech was concluded by examining the objections to the renewal of the Company's privileges.

To the objection, that the Company, from having a capital provided for them, had been less anxious than they ought to be, in their export trade, was opposed the amount of the increased exports, and the efforts making to render them as large as the demands of India would bear.

To the objection, that the Company had not sufficiently encouraged the manufacturers, in affording them raw materials, was opposed the amount of the raw materials imported, being £700,000, per annum, and the means that would be afforded the Manufacturer to supply himself.

To the objection, that the Company had not allowed the remittance of private fortunes, it was answered, that this error originated in the Act of Parliament, which limited their acceptance of bills to £300,000 per annum.

To the objection, that these fortunes had become a capital for the Clandestine Trade, was opposed, the provision to be made of tonnage in the Company's ships, at a moderate freight, to carry out goods, for all those who might choose to enter into the trade, and to bring home, in return, raw materials for the manufacturers; a circumstance which would do away the temptations to enter into the Clandestine Trade. By this expedient, an open trade might be engrafted on the regulated privileges, and thus, instead of the commercial adventurer of England and

Ireland

Ireland being borne down by the Company, the Company would afford them a fostering protection.

Having, then, laid before the House the resolutions, with the modifications which have been stated, as acquiesced in by the Company, three additional resolutions were subjoined, to the following effect, *viz.*

" That it is the opinion of this Committee, that it will be
" for the mutual convenience and advantage of the Public, the
" East-India Company, and the holders of certain Annuities, to
" the amount of £2,992,440, 5*s.* capital, carrying an interest
" after the rate of three per cent. per annum, amounting to
" £89,773, 15*s.* (being part of the sum of £4,200,000, due and
" owing by the Public to the Company) and which were sold
" by the Company, by virtue of an Act of Parliament of the
" 23d George II, that these Annuities, and likewise certain
" other Annuities, to the amount of £1,207,559, 15*s.* capital,
" bearing an interest, after the like rate of three per cent. per
" annum, amounting to £36,226, 16*s.* (being the remainder of
" the sum of £4,200,000, due by the Public to the Company)
" and which, by virtue of different Acts of Parliament, the
" Company have been empowered to sell or mortgage, be placed,
" with the consent of the Company and annuitants, under the
" management of the Governor and Company of the Bank of
" England, and be engrafted upon, and consolidated with, the
" stock, called Three per Cent. Reduced Annuities, payable at the
" Bank; and such engraftment and consolidation, deemed and
" taken

" taken to be a redemption of the said several loans, between " the Public and the East-India Company; and that, instead of " the annual sum of £126,000, in respect of the Annuities " aforesaid, with an allowance for charges of management, " being issued at the Exchequer to the Company, that this " annual sum be, in future, issued at the Exchequer, to the " Governor and Company of the Bank of England, for the use " of the East-India Company, and of the annuitants, according " to their respective shares; and that the allowances made to " the Company, in pursuance of an Act of 24th George II, for " the charges and expences attending the receiving, paying, " transferring, and transacting the affairs of these annuitants, " amounting to £1,687 per annum, be made to cease and de- " termine."

" That it is the opinion of this Committee, that the power " of the East-India Company, to sell or mortgage their share of " the said Annuities, be preserved to them; and that, after the " said engraftment, or consolidation, the shares of the several " annuitants, and of the Company, shall be subject to the like " trusts and incumbrances, as would have obtained, if no such " engraftment, or change of management, had taken place; " and that these annuities be made subject to redemption by the " Public."

" That it is the opinion of this Committee, that if, under " the present Embassy to the Court of Pekin, any cession of " territory shall be obtained, distinct and separate from the

" Continent

" Continent of the Chinese Government, in that case, and so " long as the same shall so remain, individuals shall be permitted, " under such regulations and restrictions, as shall be approved " of by the Board of Commissioners for the Affairs of India, to " export British and Irish merchandize in the Company's " ships, at a moderate rate of freight, the same being consigned " to the Company's Super-cargoes, or such other persons, as " the Company, with the approbation of the said Board of " Commissioners, shall license to reside for that purpose only; " —and that such persons shall be restrained from any con- " nexion, or intercourse with the Continent of China, from any " other trade or concern whatsoever, save and except the sale " of British and Irish manufactures, before mentioned, and " from any interference with the affairs of the Company, and " be subject to the usual covenants entered into by the servants " of the Company, they paying the produce into the Company's " treasury, for bills, at the actual rate of exchange at the time; " but that no person, whatever, be permitted to reside in any " place or places, so ceded, or to trade or communicate with " any port or place in China, who is not a servant of the " Company."(1)

Objections offered to the proposed system.

To the principles upon which this system rested, as well as to the detail of its different branches, it was objected, that both the

(1) Substance of the Speech of the President of the Board of Commissioners, and the annexed Resolutions, printed in 1793. Minutes of Court of Directors, 29th April and 1st May 1793. (Printed Papers, No. X.)

the principles, and the arguments supporting the propositions, were in opposition to reason and policy: not that these terms were personally applied to the Board of Commissioners, but to the system proposed, which was denounced, "*a monstrous* "*scheme.*" It was allowed, that an account of the internal state of the Governments in India had been laid before Parliament, particularly the branches which had been involved in obscurity, or the revenues and expences of the different establishments, but it was asserted, that though the exclusive privileges might be renewed to the Company, the territorial acquisitions and revenues ought to be taken from them.

The arguments offered to support this opinion were;—that there was no danger in resorting to approved theory:—that a trading Company were unqualified, and unfit to be entrusted, with the Government of valuable Provinces, because the interests of the Sovereign, would be sacrificed to those of the Merchant:—that this was the practice of the Romans, who taxed their provinces in Asia, with one hand, and monopolized with the other:—that it would be no innovation, or theory, to reinstate the Company in the commercial character, in which they had been prosperous, and to divest them of the political character, for which they were unfit:—that so far from the Natives of India having prospered under the Company, all the Acts of Parliament for the better government of India, during the last twenty years, were evidences of the contrary:—that the danger of alienating the Natives, who did not understand what was

PART II.

meant by the Company, or their government, was imaginary ; the Natives knew only what the wealth of their country had been, in former times, and that this wealth had been wrested from them : —that the leading prejudices of the Natives were, to be governed by an Emperor or a King ;—and, therefore, the Government ought to be vested in His Majesty's person.

It was next asserted, that the difficulties of adjusting with the Company, the value of their Dead Stock, or fortifications, lands, stores, &c., were imaginary :—that the Native proprietors had been reinstated in their lands, and that the Company would hold their lands by a similar tenure as other land-holders :—that the doubts and difficulties, in solving questions respecting the Government, ascribed to those who had been vested with the administration of India, did not prove that the exercise of the Sovereignty in India should be entrusted to Merchants :—that the attempt to please all parties concerned was the sole object of Ministers ; the Public with £500,000, annually ; the Proprietors with two per cent. additional dividend ; the Directors with retaining their power and patronage, and the Shipping Interest with a continuation of their contracts. This was only adding one monopoly to another ; and the idea of giving an exclusive privilege, and yet opening, through it, the trade to the Private Adventurer, who might chuse to engage in it, was a fallacious scheme :—that, supposing all these promises to be made good, the interests of the Natives of India were to be abandoned :—that the Councils abroad were as nominal, as the Directors were at

home ;

home :—that the influence of the Crown, was to be indirectly, but effectually increased, both in the appointment of Governors, and in the patronage of the army :—that the Members of the Board of Commissioners were to be paid £5,000, per annum, for their trouble, and yet all patronage was disavowed :—that colonization from Britain was to be prevented, though the nature of the climate alone would produce this effect :—that it was true, the revenues could only be realized through trade, but that the amount of the surplus might be paid into the Company's commercial treasuries, for bills on England :—that the fact was admitted, that out of a revenue of £3,700,000, which the Company brought to England, they had, for their own use, no more than £400,000 per annum, which was scarcely equal to the legal interest of their capital ; and considering the risks they ran, was a proof, that the Proprietors had received no benefit from the territorial revenues :—that the increase of the export trade was very questionable, if we might judge from the late reports of the Select Committee of the Directors :—that the export of bullion to China had increased, from 1785 to 1791 ;—that we could not prevent the European or American States from trading to India; and that, on the whole, the propositions were a combination of bad principles, with dangerous practice.(1)

 In

(1) Heads of Mr. Francis's Speech, in reply to that of the President of the Board of Commissioners.

PART II.

Answers made to these objections.

In reply, it was said, that so far from the Company's Affairs having been better, before they had territorial possessions, Lord Clive's successes, in 1757, saved the Company from being bankrupts:—that the Provinces in the possession of the East-India Company, compared with those of any independent power in India, were, in fact, in an improved state of cultivation, and that, under the proposed Act, the Company would be enabled to pay £500,000, per annum, to the Public, and yet divide ten per cent. on their capital stock.(1)

Conduct of the Court of Directors in this stage of the business.

In describing the progress of the Bill, as introduced for the consideration of Parliament, it will be necessary to look at the measures taken by the Courts of Directors and Proprietors, at this juncture, and to the degree in which their proceedings contributed to the final arrangement of the business.

The Court of Directors agreed to the resolution, under which the Company were to hold any territory, distinct and separate from the Continent of China, and free from the jurisdiction and authority of that Government; with the amendment, that no person should be permitted to reside in the places so ceded, or to trade or communicate with China, who should not be a servant of the Company.

The Court next took into consideration the resolutions, which regarded the placing what have been termed Indian Annuities, under the management of the Governor and Company of the Bank of England, and the engrafting them upon, and

(1) Parliamentary Register (1793), page 264.

and consolidating them with, the Stock, called the Three per Cent. Reduced Annuities, payable at the Bank, &c. ; and resolved, by ballot, that with respect to the resolution, proposing to convert the debt of £4,200,000, due from the Public, to the fund of the Three per Cent. Reduced Annuities at the Bank, it might be proper, that the consent of the Company should, in future, be required, in the execution of this plan, and that the annuitants could have no objection to an Act of Parliament so framed, although they foresaw that difficulties would probably arise, in carrying such plan into execution.

Progress of the Committee of the Whole House on the clauses of the Bill for the Government and Trade of India.

We have next to return to the proceedings of the House of Commons, which resolved itself into a Committee on the proposed Bill on the Government and Trade of India. The two first resolutions passed on the 30th of April, and on the 2d of May, the third, fourth, and fifth also passed ; but when the sixth resolution, which regarded the term to be given the Company (or twenty years from the 1st of March 1794), was moved, some observations were made in favor of the system of an open trade; and the propriety of having a Committee of the House to examine this subject, was recommended, before any system should be adopted. Both these general arguments were over-ruled, and the whole of the original resolutions were adopted, as well as the three additional resolutions which have been detailed.

On the Indian Annuity Bill.

The resolutions respecting the Indian Annuities, and the power of the Company to mortgage them, and the right to be

given

given to individuals to trade, through the Company's tonnage, to such places as might be obtained from the Chinese government, under such restrictions and regulations as should be approved of by the Board of Commissioners for the Affairs of India, were received without objection; the Bill, therefore, was read a first time on the 9th, and a second time on the 10th of May, and ordered to be committed on the 13th.(1)

Abridged view of the objections made to the Government and Trade Bill.

In the first stage of the Bill through the Committee, it was objected, that the annual demand of £500,000, as a debt to become due by the Company to the Public, supposing a deficiency to happen for several years, would embarrass the Company's affairs:—that vesting the King with the power of appointing a President and two Commissioners of the India Board, who were to be paid by the Company, was unconstitutional, because it was contrary to the resolution which had passed in 1780, "that the influence of the Crown had increased, was increasing, "and ought to be diminished;" and because public situations ought to be paid by the Public.

Answers offered to these objections.

To these objections it was answered, that the Bill itself provided against the first evil, since the deficiency of one year, was to be made good by the surplus of the next. To the second objection it was answered, that the influence of the Crown, instead of increasing, had, on the contrary, been diminished; but, at any rate, this appointment was not, or could not be constitutionally vested in any but the Executive Power.

While

(1) Parliamentary Register (1793), page 523, &c.

PART II.

Proceedings of the Court of Proprietors, on the 12th of May, 1793.

While the Bill was in this stage of it's progress, the Court of Proprietors met, on the 12th and 15th May.—The Chairman, on the former day, stated, that the object of the Court of Directors, in convening the Proprietors, was to submit to them a copy of the Bill, intended to be introduced into the House of Commons, as the ground of an agreement, for the renewal of the Company's exclusive privileges, which bill had been referred to a Committee of the Whole House, in order to have the blanks in the several clauses filled up.

Upon a short reading of the clauses it was found, that the difficulties, respecting some of the words in the preamble, had been corrected :—the words, " *Agreement made with the Company,*" had been changed to, " *it is expedient to make an Agreement,* " founded on the Act."

The amount of the expences of the Board of Commissioners was fixed at £16,000 per annum :—the powers of the Governor General, whether at the Seat of Government, or in any of the subordinate Presidencies, were continued; and the power of the King, on the neglect of the Directors to fill up vacancies, was explained, as intended to secure to the Company, regularity in the Directors, in discharging the duty of speedily making such appointments.

Upon the clause which restricted any person, during the continuance of the exclusive privileges of the Company, " to " export, ship, or carry out any military stores, masts, spars, " cordage, anchors, pitch, tar, and copper, or to put on board

" any

" any of the Company's ships in the East-Indies, or bring or " import into Great Britain, any Indian callicoes, dimities, " muslins, or other Piece Goods, &c." it was contended, on the one hand, that any restriction, on the export or import trade, was unwise and impolitic, as the increase of the one governed the other :—that the restriction of the export of copper, in particular, might impede the progress of the Bill :—that by the statement of the Committee of Accounts, the Company had shewn they were losers by the exports, to the amount of £100,000 annually :—that private adventurers were ready to try the experiment, and meet these losses :—that these accounts could not be explained away, by bringing such loss under the head of deficiency :—that if articles of value, as copper, and bulky articles, as naval stores, were to be confined to the Company's exports, and not allowed to the Adventurers, trading through the Company's tonnage, there would be nothing left to the British manufacturers to export ; and that if the Company were not restricted in the importation of Piece Goods, there would be nothing left to the Private Trader.

It was contended, on the other hand, that all exceptions to the Company's exclusive trade affected their privilege :—that if the articles specified, were not preserved to the Company, then the trade would become open, and the new grant not worth purchasing from Government :—that the account stated correctly the loss, on the exports, to be £100,000 ; but this was to be considered as a deficiency, as these exports were chiefly

consumed

consumed by the Company's covenanted servants in India:—that if the value of three thousand tons of copper were adverted to, very cogent reasons for continuing the restriction would be manifest:—that, on the whole, the Company must guard against evasions of their privileges, particularly in naval stores, which, if the situation of the British power, relatively to the Native Princes was adverted to, would affect, not the commerce only, but the political safety of the British Dominions. PART II.

These differences of opinion were adjusted, by its being explained, that the Directors had offered to stipulate with the Proprietors of Mines in Cornwall, for a thousand tons of copper, at a stated price per ton, or, at the market price of the day, but that the Proprietors of Mines, who deliver ore to the copper smelters, could not fix the price, and that Government had agreed, it was not reasonable, for the Company to bind themselves to specific points, when the Proprietors of Mines had not a security ready for their part of the compact.

On the subject of Freight (£5 outwards, and £15 homewards) it was asked by the Proprietors, if the Company were to provide three thousand tons, and if there should be a deficiency of merchandize to fill that tonnage, who were to sustain the loss?—In answer, it was said, that, in such a case, the Company might fill up the spare tonnage with naval and military stores.

 On

PART II.

On the subject of the Guarantee Fund, it was asked, if a war should involve the Company, five years before the expiration of the new term, in ten millions of debt, what security would they have for the discharge of that sum, and the six millions of capital stock?—In answer, it was said, that by the allotment of £500,000 per annum, to discharge the Company's debts, and the sum set apart for the creation of the Guarantee Fund, this danger was provided against.

It was further stated, on the subject of the Separate Fund, that it had been agreed to divide one-half per cent. on the capital, and that the probability was, the Company would be able to divide one-quarter per cent. on the next Midsummer's dividend.

It was finally asked, what arrangement had been made of the unsettled accounts of the Company, consisting, on the one hand, of claims for military aid supplied by Government, and, on the other, of claims on Government for the Manilla ransom, and the support of prisoners, in the war concluded in 1763?—It was answered, that all the unsettled accounts were to be considered as finally adjusted, on the 24th of December 1792.

The business, therefore, closed with the Court agreeing to the original resolutions, and to the three additional resolutions, which had been submitted to the House of Commons, respecting the transfer of the Indian Annuities to the Three per Cents. &c.

On

On the 15th of May, the Chairman laid before the Court of Proprietors a copy of the Bill for the renewal of the Company's exclusive privileges, with the blanks filled up by the House of Commons; the clauses, therefore, founded on the resolutions formerly before the Court, were read.

PART II.

Farther proceedings of the Court of Proprietors, on the 15th May, 1793.

On the subject of Freight, some of the opinions already detailed were repeated, with the additional observation, that an option ought to be left to the Company, of receiving £20 per ton home, provided their ships had not freight for exports to India, on account of the Private Merchants, to the extent of three thousand tons. The original proposition, however, was acquiesced in by the Court.

On the subject of the Separate Fund, it was thought, that the dividing the additional half per cent. would, in fact, be raising the stock on the Proprietors, and that the Public were to have a participation of five-sixths of it, while the Company were only to have one-sixth. In answer it was stated, that according to law, the Separate Fund could not be touched, before the Company had reduced their debts, both abroad and at home, to the specified sums; and that the Proprietors must necessarily have the Separate Fund shared among them, and the Government be, in no degree, participators.

On the additional clauses to the Bill, it was observed that it was expected the Captains of the Company's ships would be entitled to the benefits intended for Private Traders; and it was suggested, that it might be proper the Governor

PART II.

General should be vested with power to select that Member of Council, whom he thought the most fit, to act as Deputy Governor, during his absence in any of the subordinate Presidencies; or if he left India, or died, and no successor had been appointed, that his office should be held by the Senior in Council, till the pleasure of the Directors could be known.

Indian Annuity Bill passed the Commons.

We left the Bill for regulating the Government and Trade of India, in the first stage of its progress through the Committee of the House of Commons, on the 13th of May. On the 16th, a motion was made for leave "to bring in a Bill, to permit "goods and commodities, of the growth and manufacture of "Asia, Africa, and America, legally imported into Ireland, to "be exported from thence, under certain regulations, into "Great-Britain." On the same day, on bringing up the Report of the East-India Annuity Bill, it was contended, that the holders of East-India Annuities ought to be paid off, at par, in 1794, by the spirit of former Acts of Parliament, and in conformity to the notice given by the order of the House of Commons, in 1791, that the Public would redeem and pay off the Annuities in that year; but as this subject might become a question of legal discussion, nothing ought to appear in the present Bill, affecting that question.

In answer it was stated, that the Public were not, in any degree, indebted to these annuitants, but to the Company, for whom they were a collateral security.[1]

The

(1) Parliamentary Register (1793), page 547.

The Report of the Committee on the India Annuity Bill was read and agreed to, and the Bill was read a third time, and carried up to the Lords, on the 22d May 1793.(1)

Farther progress of the Government and Trade Bill, in the Committee of the Whole House.

On the 17th of May, on the report of the Committee of the Whole House, on the Bill for regulating the Government and Trade of India being brought up, the clause, enabling His Majesty to appoint a President, and two Commissioners of the India Board, with salaries, was again objected to, on the ground which had formerly been taken, of its being an unconstitutional increase of the influence of the Crown, and an unnecessary expenditure of money.

In reply, a comparison was made of the influence which the proposed Bill, of 1783 would have created, compared with that which was now represented to be unconstitutional. It was farther said, that to disclaim all patronage, where power was to be vested, was neither consistent with the fact, nor, in the present instance, with the spirit of the Bill, where the least possible degree of such patronage had been resorted to:—that the magnitude of Indian affairs required Commissioners, who could devote their principal attention to the subject, and carry the proposed system into full effect.

These clauses, therefore, passed, as well as those which were proposed, respecting the quantity of the copper (fifteen hundred tons) for which the Company were to provide shipping.

The

(1) Parliamentary Register (1793), page 222.

The clause for obliging the Company to take measures for promoting useful knowledge, and the true religion, among the Servants of the Company abroad, and the Natives of India, was, in this stage of the Bill, admitted, without debate, though we shall find it afterwards examined, and laid aside.

Proceedings of the Court of Proprietors on this occasion.

When the Bill was in this advanced stage, we have again to look at the proceedings of the Court of Proprietors, in the debate on the additional clauses brought forward, as riders to the Bill, and on those which had originally, or in the sequel, been acquiesced in by them.

On reading the clause, by which the Directors were to be authorized and required to employ Chaplains in their chartered ships, and to send out a sufficient number of Chaplains, Missionaries, and Schoolmasters, to India, there appeared some difference of opinion.

The Chairman was asked to read the resolution to which the Court of Directors had come, upon this subject, which, in substance, was,—that both measures would be expensive in the extreme, and the latter dangerous in its political tendency.

On the subject of Chaplains to the ships, it was contended, on the one hand, that this was not any new measure, but one founded on the Charters granted by King William and Queen Mary, in which the Company were bound to send Chaplains in every ship navigated by a hundred men:—that this had been evaded, by sending only ninety-nine men and a boy:—that an evasion, so gross, ought to be corrected, both because the

measure

measure was in itself necessary, and because, under the terms the Company were obtaining from the Public, expences ought not to come into consideration, where the end to be obtained was of such acknowledged importance.

It was contended, on the other hand, that the estimated expense of Chaplains, for the Company's ships, would amount to £20,000 per annum, and that it was impossible to say how far the charges might go:—that the service of the Church of England was read every Sunday, by an Officer, to the whole ship's company, a practice which had been uniformly observed, with as much decency as in any congregation on shore:—that, at all events, Chaplains ought to be given only to ships of a thousand tons, and if sent, that they ought to be Clergymen who had attained their twenty-eighth year, or who had the experience so necessary to procure them respect among seamen, their situation being as delicate, as it was important.

On the subject of sending additional Chaplains to the foreign Settlements, and Missionaries and Schoolmasters, to promulgate the Christian Religion, and useful knowledge among the Natives; it was contended, on the one hand, that the Christian Religion having been the source of civilization in Europe, it became a duty in the Company to extend the blessings of it to the Natives of India, who were our subjects; for, by opposing its truths to their prejudices, the evils of their superstition might be diminished:—that if their minds could be brought to our faith, they would, thereby, be conciliated to our government:

PART II.

ment :—that a more extensive diffusion of useful knowledge among the Europeans, or their descendants, in India, might be the means of influencing the Natives to adopt the true religion : —that though the agency of Missionaries and Schoolmasters would require to be placed under regulations, to prevent their weakening the allegiance of the Natives, and though gaining proselytes was not so much the object, as holding out true religion to the Natives for choice, yet these measures might have the effect to reform and convince them :—that when the Missionaries were to be recommended by such high ecclesiastical authority, as that of the Archbishops of Canterbury and York, there could be no danger; and that the expence ought not to be a matter of difficulty.

It was, on the other side, maintained, that the Natives, in every age, had been zealously attached to their established opinions :—that the ancient Missionaries, who were Jesuits, however erroneous they might be in their creed, were yet not less instructed, or zealous, than any modern Missionaries we could send, and yet had failed in the attempt :—that though the certificates of the Archbishops of Canterbury and York were the highest that could be obtained, the clergy, who might be disposed to undertake this service, ought, at least, to have attained the age, at which sacred duties, alone, could be presumed to be their object :—that Missionaries, though disposed to traverse the country for proselytes, might, at times, yield to other more lucrative temptations, particularly when the fact

was

was adverted to, that the Natives, by listening to them, would degrade themselves from their *Casts*:—that if the object was to purchase children, and educate them in the true faith, such additions to the Christian Church would be held in abomination by the Hindoos:—that if converts, from selfish motives, were made from among the lowest of the *Casts*, it would not tend to conciliate the Hindoos of good character, either to our religion, or to our government:—that if the conversion of the Natives should be admitted to be impracticable, the present establishments of Chaplains of the Company were equal to all the situations of their servants, there being three Chaplains at the Seat of the Governor General, one at Fort St. George, one at Bombay, one with every large detachment of the army, and a layman, who was paid to do the duties of Chaplain, with every small detachment, and at every Factory:—that the plan of sending Missionaries and Schoolmasters to convert and instruct the Hindoos, on the whole, might lead to the worst of political evils, the former might forget the purity of his mission, and seek fortune in the armies of the Native States, or in illicit trade; and the latter must, if he succeeded, prevent the youth from being sent to Britain, to acquire an European education and habits, and thus be the means of forwarding colonization:—that if we might judge from the consequences which Colleges had had in America, we must decide, that these Institutions had tended to alienate the attachments of the Colonists, from the Mo-

 ther

ther Country, and were remote causes of the loss of the Provinces: —that so strongly did the impolicy of this measure impress the Proprietors, that rather than yield to it, they would relinquish the advantages which the reciprocal conduct of the Legislature, and of the Company, had nearly brought into their possession:—and that, at all events, the discretion ought to be left with the Directors and Board of Commissioners, who would attemper religious zeal with political prudence, and yet not be inattentive to the promotion of true religion.

The result was the following Resolution of the Court:—"That it is the opinion of this Court, that if the Ecclesiastical "Establishments in India should not be equal to the number of "British subjects at the several Presidencies or Settlements, the "same should be increased, and be made commensurate to the "several British Protestant Communities in India; and that to "go beyond this Establishment is not only an unwise expen-"diture of the Company's property, but may be dangerous to "the peace and good order of the British Possessions in the "East-Indies." In illustration, a statement of the Ecclesiastical Establishments, civil and military, at the different Settlements of Bengal, Madras, Bombay, Bencoolen, Surat, &c. amounting to £11,000 and upwards, was laid before the General Court by the Directors; and the Chairman and Deputy Chairman were instructed to communicate a copy of this Resolution to His Majesty's Ministers, with the objections of the Proprie-

tors.

tors to the principle of the clause, and the opinion of the Court, respecting its consequences, if carried into a law.(1)

Though other particulars were stated, such as expressing a desire that the Company should be exonerated from the claims of individuals, in respect to any compensation which the Company might be liable to answer or pay, on account of Private Trade Goods, for embezzlements, waste, loss, or damage, during the time they might be in their ships or warehouses, or in their craft, carrying them up the river to Calcutta; and whether the Company's Captains were to pay only three, or be liable to seven per cent.:—these subjects, however, were left to the discretion of the Directors.

The Government and Trade Bill brought forward to a third reading.

Having thus followed the Bill through its progressive stages, when the subject was merely in the form of a negociation between Government and the Directors; next, when it assumed the regular appearance of Resolutions to be submitted to the Legislature; and, lastly, when these resolutions assumed the form of a Bill, modified in its clauses, by the House of Commons, in consequence of their yielding, in some instances, to the opinions of the Proprietors and Directors, and in others, correcting the whole, we have reached the point when the Bill was to be read a third time, and passed.

Substance of the Debate on this occasion.

When the additional clauses were brought up, as riders to the Bill, it was objected, that the House had not had time to deliberate upon the import of each of them:—that this was evading

 the

(1) Minutes of Court.

the forms of the House, which required deliberation to be slow, before a Bill could pass into a law:—that some of the clauses referred to subjects which were as novel as they were material, particularly that one which regarded Nootka Sound, by which ships from that quarter were to be licenced to trade to Japan and China, but prohibited from bringing the produce of these countries to Great-Britain.

In reply it was stated, that in all Bills which had important subjects to arrange, new matter must necessarily arise in the progress of discussion, and that the practice of Parliament had always been, to introduce these subjects as additional clauses, or riders, to a Bill, a practice which the nature and magnitude of the present subject particularly required:—and that the whole of the evidence had been on the table for a long time, and the decision on it expected.

To remove the difficulty, however, respecting the clause which regarded the trade to Nootka Sound, as being a particular subject, which, though connected with the Bill for regulating the Government and Trade of India, had not, as yet, passed a Committee, the House resolved itself into one, to obviate this defect in form.

It was stated against this particular clause, that, under it, the subjects of Great-Britain, who might enter on the trade to Nootka Sound, would carry it on, under greater disadvantages, than the subjects of any other power, because they must trade under a licence, while the other European or American traders

required

required none:—that, by this measure, a possession, which had nearly involved the country in a war (if there existed any persons intending to trade to Nootka Sound) would go to the benefit of Spain alone.

In reply, it was said, that the persons who were actually engaged in this trade, had been consulted, and had agreed to the clause, and that it was impossible to look forward to the opinions of those, who seeing the profits of this trade under the licence, might afterwards wish to evade this restriction for clandestine purposes; the clause therefore was agreed to.

A clause was next brought up, for giving the exporters of goods, in the Company's ships, a right to carry out military stores, ammunition, masts, spars, cordage, anchors, pitch, tar, and copper. It was objected, that this would, in fact, be furnishing the Natives with the means of resisting the Company's Government, and that, therefore, it would be dangerous, in a political view of the subject:—the export of military stores and ammunition, therefore, was reserved to the Company.

A clause was next proposed, for giving a discretionary power to the Directors, to remit such penalties as had been imposed on brokers purchasing teas at the India House, where they, by accident, failed in paying the price within the limited three days. This clause was withdrawn, it being explained, that the question might be brought forward at a future time.

On the third reading of the Bill, the objection, formerly made, that the appointment of the new Commissioners for the

Affairs

PART II. Affairs of India, with salaries, was an unwarrantable increase of the influence of the Crown, was repeated, and illustrated, by charges of inconsistency in such Members, as had voted the necessity and expediency of decreasing that influence, in 1780.

When the question was put, "that the Bill do pass," it was contended, that a Committee ought to have been appointed, to call for such evidence, as might enable the House to form a deliberate opinion upon this great national subject: — that instead of this, the House had only been favored with a speech from the President of the Board of Commissioners:—that the influence was the more dangerous, because it vested power in persons, who were not responsible:—that the Bill of 1783 had kept the influence in the House of Commons, and did not leave it with a commercial body:—that the present Bill had neither object nor precise meaning, and yet grasped at the patronage of India, in a way totally disconnected with responsibility:—that the Directors were to become the mere tools of Ministers:—that the whole was a system of deception, of fraud, and of rapacity:—that the Bill of 1784 only enacted, that the Directors were to afford the Commissioners information respecting the Company's affairs, abroad and at home, to observe the orders of the Board, in every thing relating to the civil and military Government and revenues of the British territorial Possessions in the East-Indies, but that the declaratory Bill of 1788 gave to Ministers the uncontrolled power of appropriating the revenues of India to such military establishments, as they should

should think fit to create or employ:—that, therefore, though, under the present circumstances, it might be expedient to renew the Company's privileges, for four years from the expiration of the present term, or to March 1798, no longer term should be given. This restriction was asserted to be expedient, for political and commercial reasons; because the Bill created an unconstitutional influence of the Crown, pretended to give an exclusive privilege of trade, and yet admitted provisions, which counteracted the whole of this privilege:—that, thus, whatever commercial plans might be adopted in India, they might be overturned, at the pleasure of the Board of Commissioners, though this Board might know much less of the business, than the Agents whom they were condemning.

In reply to these objections it was stated,—that it must appear a very singular circumstance to the Public, that this Bill should have passed to the last stage of a third reading, with the most general approbation, and that now, for the first time, it should be reprobated, both in its principle and in its provisions: —that this censure could only have proceeded from the Bill having either been precipitated through the House, or from a Member not having attended to his duty: the former, from the evidence upon the table, could not be the case; the latter, it was impossible even to suppose the fact; the simple inference, therefore, was, that the Bill, being sound in its principle and wise in its provisions, could not be opposed in its progress, though it might be condemned, in general and angry words:—

that

that the speech of the President of the Board of Commissioners, so far from being the only information before the House, after the fullest evidence had been afforded them, was only a description of the proposed system:—that the actual state of Indian Affairs had been brought forward above two months past: —that the Resolutions upon which the Bill was founded had been before the House for a month:—that the manufacturing and mercantile interests had been called upon to bring forward their claims, and that means had been devised for satisfying them:—that, for six years, annual statements of the Company's revenues and charges had been laid before Parliament, and had met its approbation:—that the general question of a regulated, or open trade to the East-Indies, had been fully discussed in Parliament, in the year 1783:—that the plans which have been suggested, for the Government and Trade to the East-Indies, had been laid open, and yet, with all this evidence before the Legislature, a complaint of precipitation, and of want of information, was made, at the time when the system resulting from this accumulation of evidence was ready for the sanction of Parliament:—that so far from there being any defect in the evidence on the commercial branch of the subject, it had been too full, to be perverted by prejudices or party views:—that the force of this very evidence had dispelled speculative theories of trade, and led to authenticated and practical inferences:—that the claims of the Manufacturers had been engrafted on the privileges of the Company:—that the increased influence of the Crown, which

which had been complained of, was obviated by the fact, that the existing system of the Company was only continued:—that the clause respecting the information to be afforded by the Directors to the Commissioners, had been founded upon, to ground the assertion, that the Board of Commissioners had arrogated new powers in the Declaratory Bill, though these very powers appeared in the sixth clause of the Bill of 1784, by which the Board was authorized and empowered, from time to time, to superintend and direct all acts, operations, and concerns, which in any way related to the civil and military government, or revenues of the British Territorial Possessions in the East-Indies: —that so different from the proposed bill of 1783 was the influence now condemned, in the present bill, that by the former, all appointments, at home and abroad, amounting to not less than four hundred, had been graspedat, but, by the latter, no other influence was to be found, but what was conformable to existing Acts of Parliament:—that the former Bill would have increased the influence of the Crown, when the Commissioners chose to act in unison with it, and decreased it, when the party, in whom the power was concentrated, chose to act in opposition to the Crown:—and that, on the whole, as the House had evidence, on the one side, and strong assertions, only, on the other, the period of the exclusive privileges required to be, at least, twenty years. These observations induced the House to adopt the proposition.

The only other clause which called for the attention of the House was, that "for sending Chaplains, Schoolmasters, and

 "Missionaries,

" Missionaries, to promulgate useful knowledge and true re-" ligion among the Natives of India." Similar observations were offered in the House of Commons, for and against this measure, as have been detailed, in stating the opinions of the Court of Proprietors.

On the one hand, it was contended that it appeared from history, and from the correspondence of eminent servants of the Company, that the Natives, and particularly the Hindoos, were sunk into the most abject ignorance and vice; and that it would be disgraceful to an enlightened and informed people, like the English, to be less zealous in their duty, of bringing fifteen or sixteen millions of our Indian subjects from this deplorable situation, than the less instructed nations of Europe had been, when no other apology could be offered, but that of saving the expence which must attend this measure.

It was said, in answer, that all systems of proselytism were wrong in themselves, and productive, in many instances, of abuse and political mischief: — that the Church of England was maintained, " not for the purpose of making proselytes, " but because the system of religion which it professed to teach, " was approved of by those who pay."

It was admitted, on the whole, by the House, that the object of this clause was important, but it was doubtful whether the means proposed would answer the end:—At any rate, it was held, that this subject was not connected with the Bill, and might be open for discussion at any future period.

The

The clause, upon this last ground, was omitted, and the Bill passed.(1)

PART II.

The House of Lords, after a short discussion on the second reading of the Bill, referred it to a Committee, in which, on the one side, the expediency of continuing the present system was maintained, by an appeal to experience, and to the leading objects of the Bill;—and, on the other, the Bill was reprobated, on the ground of the unconstitutional appointments of a President, and two Commissioners of the India Board, with salaries; —on the impolicy of continuing the exclusive privilege of trade, in preference to an open trade, under proper regulations; and on the inexpediency of granting so long a term as twenty years.

Bill passed the House of Commons and carried to the Lords.

These objections were repeated in the Committee, as well as the arguments for and against furnishing the Company's ships with Chaplains, or sending, Chaplains, Missionaries, and Schoolmasters, to instruct the Hindoos in useful knowledge, and the true religion.

The Bill, however, passed the House of Lords, without any amendments, and received the Royal Assent on the 11th June 1793.(2)

Bill passed the House of Lords, and received the Royal Assent.

III. Having followed this important Act through all its progressive stages, we shall conclude this Report, with a *Digest of the Act* 33d. *of Geo. III. Cap.* 52, *establishing the existing System of India Affairs,* distinguishing the branches of it which

Digest of the existing System of Indian Affairs, in the order of the subject.

2 L 2 were

(1) Parliamentary Register (1793), pages 565, 584.

(2) Parliamentary Register (1793), pages 239, 242 to 246, 252.

PART II. were completed, from those which were left open, for the future deliberation of the Legislature.

For this purpose we shall first state *the Agreement between the Public and the Company*;—secondly, the system of *Domestic Government*;—thirdly, the system of *Foreign Government*, with the *Judicial, Financial,* and *Military Branches*, as far as they were proceeded upon;—and, lastly, *the System of Trade.*

1. The Agreement between the Legislature and the Company.

1. The Legislature, for a valuable consideration, agreed to continue the Company's exclusive Privileges of Trade for twenty years, to be computed from the 1st of March 1794, subject to be determined at, or after that period, on three years' previous notice by Parliament, signified by the Speaker of the House of Commons. The Act proceeding upon this agreement, was to commence in Great-Britain, as soon as it should receive the Royal Assent, and in the East-Indies on the 1st of February 1794, except where any special commencement was prescribed in it.

2. Plan of Domestic Government.

2. The Domestic Government was divided into two Branches, that of the Company, by the Courts of Directors and Proprietors, and that of the Board of Commissioners for the Affairs of India.

The Branch vested in the Courts of Directors and Proprietors.

The established constitution of the Courts of Proprietors and Directors was continued. The Directors were authorized to appoint three of their Members to be a Committee of Secrecy, through whom Dispatches, relating to Government, War, Peace, and Treaties, might be sent to, and received from India. This Committee, and the persons they employed to transcribe

secret

secret dispatches, were to be sworn to secrecy. The orders of the Directors, concerning the Government and the Revenues of India, were declared not to be subject to revocation by the General Court of Proprietors. The Court of Directors were to have the power of appointing to the several Governments abroad, *viz.* to the offices of Governor General, of Governors of the subordinate Presidencies, of Members of the Councils, and Commanders-in-Chief. None of the Commanders-in-Chief were, *ex officio*, to be Members of Council, but the Directors, if they thought fit, might appoint them to a seat, and to have precedence, in this case, above the other Members. The Directors were to appoint to any of these offices, provisionally, but without salary to the person appointed, till he actually acceded to the office. If the Directors neglected to appoint to vacancies, for two calendar months after the vacancy had been notified to them, the King might appoint, in which case the Directors could not remove the person appointed. In every other case, the Directors were to have the power of recalling, or dismissing any of their servants. The existing appointments, however, were not done away by this Act. The Directors, with the approbation of the Board of Commissioners, were to be empowered to suspend the extraordinary powers of the Governor General, and again to revive them:—they were, further, vested with the power to appoint the requisite number, only, of Cadets and Writers, and to supply vacancies, according to returns from abroad. The age of the Cadet, or Writer, was not to be under fifteen, and

 not to exceed twenty-two years, unless any Cadet should have been one year in the King's service; and, even in this case, the age was not to exceed twenty-five years.

Disobedience to the orders of the Directors by their servants abroad, was declared to be punishable, as a misdemeanor, and the same punishment was to be applicable to any breach of trust or duty, or the making, or being a party to any corrupt bargain, concerning any office or employment, whether by a King's, or a Company's servant.

If a servant of the Company should be absent from his duty in the East-Indies, for five years, he could not resume his rank, or serve again, unless he had been detained by sickness, or by leave of the Company, on a ballot of three parts in four of a General Court of Proprietors. In case of sickness, the Directors were to be the judges of the excuses of the civil servants, and the Directors and Board of Commissioners, jointly, of the excuses of military servants.

The Company were not to grant any pensions, or new salaries, beyond £200 per annum, to any one person, without the consent of the Board of Commissioners, and were to lay before Parliament, annually, a list of their establishments abroad and at home; in which list all pensions and salaries were to be particularly noticed. The Directors were, also, annually to lay before Parliament, complete accounts of all the affairs of the Company, with the receipts and outgoings of the preceding year, and estimates for the following year.

A special

A special oath was prescribed to be, in future, taken by the Directors, prohibitory of their acting in this capacity, when concerned in buying from, or selling to the Company any goods; and prohibitory of their being concerned in any shipping employed by the Company, or accepting of any present for any appointment to an office, or in being concerned in any trade, contrary to the Act.

The Branch vested in the Commissioners for the Affairs of India.

The established Constitution of the Board of Commissioners for the Affairs of India, was continued under the new Act, with the following additional provisions:—the person first named in the King's Commission was declared to be President:—the number of Commissioners was left indefinite, resting on the pleasure of His Majesty, of which, however, the two Secretaries of State, and the Chancellor of the Exchequer, were to be three:—the King might add two new Commissioners, who were not Members of His Privy Council:—the King might also grant £5,000, per annum, among such of the Commissioners as he pleases, which sum, together with the salaries of the Secretaries, and other officers of the Board, and also the expences of the Board, was to be defrayed by the Company, the whole not exceeding £16,000, per annum:—the Commissioners and Officers under them were to take an oath for the faithful discharge of their duty:—the offices of Commissioner, and chief Secretary, were not to be deemed new offices, or to disable the persons holding them from sitting in Parliament; neither was the appointment of a Commissioner, not having a salary, nor that of

PART II. of Chief Secretary (if a Member of the House of Commons) to vacate their seats; but the appointment of a Commissioner, with a salary, was to vacate his seat. Three Commissioners were to form a Board.

The powers of the Board were defined to be, as follows:—to superintend, direct, and control all acts, operations, and concerns, which relate to the civil and military government and revenues of India:—to have access to the papers and records of the Company, and to be furnished with such copies, or extracts, of them, as they may require:—the Board, also, was to be furnished with copies of all proceedings of General Courts of Proprietors, and of Courts of Directors, within eight days, and with copies of all dispatches from abroad, relating to the civil and military Government and Revenues, immediately on their arrival:—the Company were not to send orders, on these subjects, until they were approved of by the Board; and when the Commissioners varied or expunged any dispatch, they were to assign the reasons:—such dispatches were, in this case, to be returned to the Court of Directors, within fourteen days:—the Directors were to have the power to state their objections to these alterations, and the Commissioners were to reconsider the case:—if the Commissioners interfered with what the Directors deemed matters of commerce, the Directors might apply to the King in Council, to determine between them and the Board.

The Commissioners were not to have the power of appointing any of the Company's servants. If the Directors, upon

being

being called upon to propose a dispatch, on any subject relating to the Government or Revenue, should neglect so to do, within fourteen days, the Board were to have the power of originating the dispatch, if they should deem the same necessary. The Board were not to have the power of authorizing any increase of salaries, or any allowance or gratuity to persons employed, in the Company's service, in India, except the same should first be proposed by the Company, and their intentions, or reasons for such grants, certified to both Houses of Parliament, thirty days before the salary could commence.

3. Plan of Foreign Government.

3. The system of Foreign Government was confirmed.—The Government General of Bengal was to continue Supreme, and the Presidencies of Fort St. George and Bombay were to be subordinate to it ;—the Government of Bengal was to consist of a Governor General, and three Members of Council ;—Fort St. George and Bombay were to have each a Governor and three Members of Council ;—these subordinate Presidencies, in the particular cases of concluding treaties with the Native Powers in India, levying war, making peace, collecting and applying revenues, levying and employing forces, and in general, in all matters of civil and military administration, were placed under the snperintendence of the Government General of Bengal, and, in all cases, were to obey its orders, unless the Directors should have sent instructions to the contrary, not known to the Government General ; but, in such case, the subordinate

Presidencies

PART II. Presidencies were to give the Government General immediate notice of the same.

The Civil Members of Council were to be appointed from the list of civil servants, who have resided twelve years, in the civil service, in India.

When a vacancy of Governor General, or Governor, might happen, and when no provisional successor was appointed, it was to be filled up by the Senior of the Civil Counsellors, till a successor should arrive:—the vacant seat in Council, occasioned by this contingency, was, during the time, to be supplied from the Senior Merchants, at the nomination of the acting Governor General, or Governor, if only one Counsellor should then remain:—the Governor General and Governors were to have power, in case of vacancies in Council, to supply them from the Senior Merchants, until successors, duly appointed, should arrive to take their seats:—in all these cases, the salaries, or allowances, were to attach to the acting members, while in office.

The Commander-in-Chief of all the Forces, when at either of the subordinate Presidencies, was to have a seat at the Council Board, but no salary from this privilege:—if the Provincial Commander should be a Member of the Council, he might continue to deliberate, but was to have no vote, as long as the Commander-in-Chief should remain at the Presidency. In case any Member of Council should be disabled from attending, by

any casual illness or infirmity, provision was made to supply his place.

Upon the departure of any Governor, Member of Government, or Commander-in-Chief, from India for Europe, or of any written intimation delivered in by them, to this effect, such departure, or writing, was to be held as an avoidance of office:—no salary was to be payable to any officer, during absence, unless employed in actual service; and if an officer, unless on service, did not return, his salary was to be deemed to have ceased, from the day of his quitting the Settlement.

The mode of conducting business in the several Council Boards in India, was defined to be, as follows:—

The subjects proposed by the President were first to be discussed, and he was to have the power of adjourning any questions, which might be proposed by the Members of Council, but not more than twice, and within forty-eight hours, each time.

All orders were to be expressed, as made by the Governor-General in Council, or Governors in Council:—powers were given to the Governor-General, or Governors, to act contrary to the opinions of the other Members of Council, but, in such cases, the Governor-General, and Governors, were alone to be responsible:—on such occasions, the Governor-General, or Governors and Counsellors, were to communicate to each other their opinions and reasons, by minutes, in writing, and to meet a second time; and if both retained their first opinions, the minutes were to be entered on the consultations, and the orders of

PART II. of the Governor-General, or Governors, were to be deemed valid and put in execution.

In the event of the Governor-General visiting any subordinate Presidency, he was to be vested with the power to appoint a Vice-President, to act in Bengal, during his absence, who, with the Council, was to administer the Government in that Presidency only:—the authority of the Governor-General, and that of his Council, were transferred to the Council Board of the Presidency, where he might be present, except in judicial cases.

When the Governor-General might be at a subordinate Presidency, the Governor of that Presidency was only to have one voice in Council, his other authorities, except in judicial cases, becoming suspended; and if the Governor-General should be in the field, not attended by a Council, all the Governments and officers were to obey his orders, he alone being responsible. These extraordinary powers, however, were not to extend to the imposing of taxes, nor to any act which might not be done by the whole Council, nor to any judicial case, nor to the suspension of any standing order of Government; and these powers of the Governor-General were not to be exercised by persons casually succeeding to the temporary Government.

All the foreign Governments were laid under restrictions to prevent war, or extension of territory, in India, unless hostilities against the Company, or their allies, should render war, and its consequences, unavoidable.

The

The Members of the subordinate Governments, who might act contrary to this decree, or to the orders of the Governor-General, were to be suspended from their offices, or dismissed the service, besides being liable to farther punishment:—the subordinate Presidencies, for the purposes of preserving uniformity in the system of Government, were required, with every possible dispatch, to communicate all matters of importance to the Supreme Government:—the Governor-General, and Governors were vested with the power of apprehending all persons suspected of illicit correspondence, and with the power of examining and cross examining witnesses, and the evidence given by them was to be recorded:—these persons, in consequence, might be tried either in India, or might be sent home for trial:—the depositions of the witnesses, in the latter case, were to be sent home, and to be received in evidence, but subject to impeachment, in respect to the competency of the witnesses.

In all cases where there might be an equality of voices, the acting President of the several Councils was vested with the power of giving the casting vote.

The rule of promotion in India was to be, by seniority of service only:—three years service was to qualify a civil servant for a place of £500 per annum, six years for a place of £1,500 per annum, nine years for a place of £3000 per annum, twelve years for a place of £4000 per annum and upwards:—no person was to be entitled to hold two offices, where the joint emolument might exceed these rules:—the Collectors of the Revenue

nue were to take the oath prescribed against the acceptance of presents, and for rendering a faithful account to the Company of what they should receive.

The acceptance of any present in India, by any servant of the Crown, or of the Company, was declared to be punishable, in the same way as extortion (except the fees of professional men), and the Court, before which such offences should be tried, on any conviction of the crime, was empowered to return the present to the party who gave it, and to dispose of any fine, in favor of the prosecutor.

Having thus extracted from the Act, the System of Foreign Government which it established, we have next to sketch out the *Judicial, Military,* and *Financial* powers under it, as far as they were established by the Act itself, or were left open for the future deliberations of the Legislature.

The Judicial Power continued as amended, or left open for the farther deliberation of Parliament.

The Judicial Power, as connected with the Domestic and Foreign Governments, was continued, as regulated by existing Acts of Parliament, and by practice in India. In so far, however, as regarded a general Judicial System for the foreign dominions of Great-Britain in the East-Indies, this subject, upon fuller evidence being obtained, was to be brought before the Legislature, that it might be accommodated fully to the preceding plan of Government.

The Act prescribed the method of suing for forfeitures and penalties, and determined the legality of seizures :—it gave a right of suing by Action, Bill, or Information, in any of the

Courts

Courts at Westminster, in which case the "*venue*" was to be laid in London, or in Middlesex, or in the Supreme Court of Judicature in Bengal, or in the Mayor's Court, at Madras or Bombay; and in such suits, the legality of seizures of persons, ships, or goods, was made cognizable:—in the case of misdemeanor, the offenders were made punishable by fine and imprisonment; and if abroad, might be sent home, as part of the punishment, and a "*capias*" for arresting the accused party, was given, in the first instance, which might be compounded for by bail.

With the object of securing to the Crown the duties for goods unlawfully trafficked with, in the cases of forfeiture of goods, the Attorney General might prosecute the offenders, or their partners, by Bills in a Court of Equity, waving penalties, and the Defendants were bound to make full discovery, upon oath, of their illicit traffic, and were to be decreed to pay all the duties thereupon, to Government, and £30 per cent. on the value of the goods, to the Company, and then to be relieved against all other forfeitures:—the Company might, in like manner, proceed against offenders, by a Bill in Equity, and if they failed, they were to pay costs:—in the cases, however, where the Decree should be against the Defendants, they were to pay the costs to the Crown, and to the Company:—if before any suit should be commenced, a common informer should make known any offence to the Company, or to the Attorney General, and either of them should prefer a Suit in Equity, the informer should be entitled to one third part of the value of the property which should be

recovered;

recovered; but if the Directors should prefer a prosecution at law, the informer might proceed, but could not discontinue the suit without their consent:—in the case where the Company were the first informers, the shares of penalties and forfeitures were to belong to them, although the suit be commenced, after the time elapsed for common informers to sue, or to prosecute the offence:—in the case of a suit against the Company, or their servants, for seizing, &c. the Defendant might plead the general issue, and give the Act in evidence, and the burden of proof should be on the Plaintiffs, that the seizure, &c. was unlawful, and on nonsuit, verdict, or judgment, the plaintiffs were to pay treble costs.

The Jurisdiction of the Supreme Court of Judicature at Fort William, in Admiralty cases, was made to extend to the High Seas at large, by which means a defect of the Act, 1773, for constituting that Court, was remedied.

With the object of increasing the number of Magistrates in Bengal, Madras, and Bombay, the Supreme Court of Judicature in Bengal was to issue Commissions of the Peace, in pursuance of the orders issued in Council for that purpose, and any of the Justices so appointed, might, by order in Council, sit, also, in the Courts of Oyer and Terminer, taking the oaths of Justices in England, excepting the oath prescribed by the Act of the 18th Geo. II. relating to qualifications by estate;—the proceedings and judgments of Justices might be removed to the Court of Oyer and Terminer, by "*Certiorari,*" as might be done

into

into the Court of King's Bench in England, and on similar conditions, but could not be set aside for want of form, but on the merits only:—the Justices might, also, associate with the Judges, in causes appealed, when called upon so to do.

The Governments abroad were vested with the power of appointing Coroners, to take inquests on the bodies of persons coming to an untimely end, and were to fix the fees to be paid for that duty.

The Justices of the Peace were also vested with the power to appoint Scavengers, and to raise money by assessments, for cleansing, watching and repairing the Streets of Calcutta, Madras, and Bombay:—they also were to have the power of licensing houses for retailing spirituous liquors, and to have authority to extend, or contract, the boundaries of these seats of Government.

No person was to be allowed to retail spirits, but such as should be authorized to act under licence, under the same penalties as are allowed by the laws of Great-Britain. Prosecutions for any thing done under this Act, were limited to three years, or if the party aggrieved should be abroad, to three years after his return.

The existing Financial System in India was continued, with the alterations which had lately been introduced into it.

The Act defined the provisions which regarded the mode of Appropriation in India, and in Britain.

The Financial Power continued in India, as exercised before the passing of Act, but varied in the Appropriations abroad and at home.

 In

PART II.

In India, the territorial revenues were to be applied, in the first place, to defray all charges of a military nature;—secondly, to the payment of the interest of the debts there already due, or that might, hereafter, be incurred;—thirdly, to the payment of the civil and commercial establishments;—fourthly, to the payment of not less than one million, per annum, for the Company's investments for Europe, and remittances and investments to China; and the surplus (if any should remain) was to be applied in the discharge of debts, or such other purposes as should be authorized by orders from home:—the sum allowed for investments might, from time to time, be increased, to the extent of the diminution made in the annual amount of the interest of debts paid in India, or transferred home: for which transfer, provision was made to the extent of £500,000 a year, by Bills of Exchange, to be drawn upon the Company;—and if the creditors should not subscribe to that amount, other persons might subscribe, and the money advanced by them, for Bills, was to be applied to discharge such debts: and this rule was to be continued till the India debts should be reduced to two millions. The Company might increase these transfers, at home, but the Governments abroad were restricted from exceeding the above amount without orders.

In Britain, the nett produce of the Company's funds, after payment of current charges, was to be appropriated, first, to the payment of ten per cent. annual dividend, on the present, or

on

on any increased amount of the capital stock of the Company;—secondly, to the payment of £500,000, per annum, to be set apart, on the first of March and the first of September, half yearly, and applied to the discharge of Bills of Exchange for the reduction of the India debt;—thirdly, to the payment of a like annual sum of £500,000, to the Exchequer, to be applied by Parliament for the use of the Public, and to be paid on the 1st of January and 1st of July, half yearly, by equal instalments;—and, lastly, the surplus was to be applied, for the more speedy liquidation of the India debt till reduced to two millions, or, to the discharge of debts at home, so as not to diminish the Bond Debt below £1,500,000:—After these Appropriations, and after the debt in India should be reduced to two millions, and the bond debt at home to £1,500,000, one sixth part of the ultimate surplus was to be applied to an increase of dividend on the capital stock, and the remaining five sixths was to be made a Guarantee Fund, or collateral security for the Company's capital stock, and their dividend of ten per cent., until such fund, by the monies paid by the Company, and the interest thereof, should amount to twelve millions, and after that time the said five sixths of the surplus was to belong to the Public, in full right. These five sixths were to be paid into the Bank, and laid out in the purchase of redeemable Annuities, in the names of the Commissioners for the Reduction of the National Debt, who were also to receive the dividends of those Annuities, and lay them out, in like manner, until twelve millions should have been invested.

vested. When these purposes should be accomplished, the annual dividends of the stock purchased therewith, were, in the first place, to make good any defalcation in the Company's revenues; to pay the ten per cent. dividend; and those dividends which were ultimately to belong to the Public. If, on the Company's exclusive trade being determined, their own assets should prove insufficient to make good their debts, and also their capital stock, rated at two hundred per cent., the excess of the Guarantee Fund was to make good the deficiency, as far as it would extend:—and in the event of the Company discontinuing their trade altogether, such excess, if any, was to belong to the Public; but if the Company should continue to trade on a Joint Stock, then the overplus, and the annual dividends thereof, were to remain, as a like Guarantee, for a dividend of ten per cent., and the capital rated at £200 per cent., as long as the Company should trade on a Joint Stock, but, subject to the making good any such deficiencies, the said fund was to be deemed the property of the Public.

If the Bond Debt, at home, or the debts abroad, after being reduced to the sums before limited, should be again increased, the former appropriation was to be revived, until those debts should be again diminished to their respective standards.

Any deficiency in the funds, to make good the £500,000, to the Exchequer, in any one year, was to be supplied from the surplus of subsequent years, unless it should happen, in time

of

of war, or in circumstances incidental to war, in which case the deficiencies were not to be carried forward as a debt on the annual funds of the Company, nor to be brought forward as a debt to be paid by the Company, unless only in the event of their assets, on the termination of the exclusive trade, affording more than sufficient to make good the capital stock, rated at £200 per cent.; but any excess of such assets, beyond that amount, was to be liable to make good the deficiency of any such payments to the Public:—in the mean time, no interest was to be computed on such deficiency.

The securities given by the Cashiers of the Bank were to extend to the monies they might receive under this Act, and the Treasury was to direct the allowances for management; and, if the India Company should make default, in any payments directed by the Act, they might be sued, and should be liable to pay £15 per cent. damages, with costs of suit.

The Act further directed the manner in which receipts should be given, and a power was lodged in the Treasury to give the Company further time for payment, in cases of exigency;—and it was declared, that neither the claims of the Public, nor of the Company, in India, should be prejudiced by the Act, beyond the prolongation of the term of the exclusive trade. The Act also contained a clause, of mutual acquittal of all outstanding demands, between the Crown and the Company, to the 24th day of December 1792.

The Act also recognized the rights of the Company to a sum of £467,896, 7*s.* 4*d.* in money, and £9,750, East-India Stock,

PART II.

Stock, which sums constituted the Separate Fund of the Company (established under the Act of 1781), and it was observed in the Act, that it would be more for the permanent interest of the Company, to continue that money employed in trade, computing an interest upon it, and to make it a fund, for a permanent increase to their dividend, of ten shillings per cent., than to draw it from their trading capital, for any sudden distribution. The Act further authorized the Company to make a dividend from the Separate Fund, and the interest thereof, after the rate of ten shillings per cent. per annum, during their further term, in the exclusive trade, and at the end of the term, gave them a power of disposing of the remainder of this fund, as they should think fit.

The Military Power left for future arrangement.

The Military Power, under all the existing circumstances, was reserved, till the fullest evidence could be obtained, to form a system coincident with the Foreign Government, and with the meritorious services of the Company's armies.

4. The System of Trade detailed.

4. The East-India Company's exclusive privileges of trade were continued for twenty years, from March 1794, subject to be determined at or after that period, on three years previous notice by Parliament, signified by the Speaker of the House of Commons, and subject, as to the trade to and from India, to the following limitations in favor of such Private Merchants as might choose to trade thither:—In other respects, and to and from China and other places, beyond the Cape of Good Hope, the former restrictions against Private Traders were continued in force.

force. If the exclusive trade, thus limited, should hereafter be discontinued, the Company were still to retain their Corporate Capacity, with power to trade on a Joint Stock, in common with other British subjects. If, however, any new Settlement should be obtained from the Chinese Government, separate from the Continent of Asia, an export trade to it was reserved to the Private Merchants, under certain conditions and regulations, with respect to the Company; and a clause was also introduced, to protect the Southern Whalers, in the benefit of their Carrying Trade into the Pacific Ocean, by the way of Cape Horn, to the Northward of the Equator, limited to one hundred and eighty degrees West Longitude from London:—and ships from Nootka Sound were to be licensed to trade from thence to Japan and China, but were not to bring any produce, or manufacture, of those countries, to Great-Britain.

The limitations on the exclusive trade to and from India, were as follows:—

All persons might export and import goods to and from India, in the Company's ships, except that they should not export military stores, ammunition, masts, spars, anchors, cordage, pitch, tar, and copper; nor import Indian callicoes, dimities, muslins, or other Piece Goods, made or manufactured with silk or cotton, or with silk and cotton mixed, or with other mixed materials, unless by leave of the Company. If the market should not be sufficiently supplied with the prohibited articles of import or export (with an exception of military stores and copper), the

Board

PART II. Board of Commissioners might open that trade, also, to individuals. If the Company should not export fifteen hundred tons of copper, annually, Private Traders might export copper in the Company's ships, to the amount of the deficiency.

The Company were to furnish Private Traders, till 1796, with three thousand tons of shipping, yearly, computed on the same principle as the Company's own tonnage:—the quantity might be increased, by order of the Board of Commissioners, to meet the demands of the Private Traders, and if the Board should order more than the Company approved, they might appeal from the order to the King in Council:—the Company were also restricted from charging any higher Freight than £5 per ton, outwards, and £15 per ton, homewards, except in time of war, or in circumstances incidental, or preparatory to war, when they might charge an increased rate of Freight, in a due proportion to the rates at which they should take up their own shipping; but the proposed increase could only be made with the consent of the Board of Commissioners, before whom the Directors were also required, in 1794, and in every third year afterwards, to lay a statement of the affairs of Shipping, and to abide by their order, touching any continuance, increase, or abatement of the rate of Freight on Private Trade.

Private Traders were required to notify to the Company's Secretary at home, and to the proper officers in India, at a time limited, the quantity of tonnage wanted by them for the ensuing season, with the place of destination, and the time when the goods

goods would be ready for shipping. At home, this notice was to be given before the 31st August, for the ships of the ensuing season, and Private Traders were to deposit, before the 15th September, the sum for the tonnage, or to give security to the Directors for payment of it; and to deliver, before the 30th of October, a list of the sorts and quantities of the goods intended to be sent :—in failure of having them ready, by the day specified in the notice, they were to forfeit their deposit, or the security, and also their tonnage, for that turn. PART II.

Similar rules were prescribed for shipping, &c. goods in India; but it was left to the Governments there, to fix the time, and to name the officers, to whom notices were to be given. The Company was to have the benefit of all forfeited and vacant tonnage, and if more should be demanded for Private Trade, than the quantity limited, every person was to have his due proportion, and notice was to be given thereof, seven days before the day for making the deposits. All Private Trade was to be registered in the Company's books, and in default of being registered, to be considered as Illicit Trade, and punishable accordingly.

The restrictions against the Company's servants, or others, from acting as factors for foreigners, or lending money to foreign Companies, or on bottomry of their ships, or assisting them with remittances by bills, were repealed; and all legal impediments to the recovery of debts, under any pretence,

2 O that

that they were incurred illicitly, and against the letter of these repealed laws, were removed; and all persons in India, not specially prohibited by the Company, or restricted by their covenants, were authorized to act as mercantile Agents, for any person who might choose to employ them; and if there should be a want of factors (properly qualified and authorized) the Company were to licence Free Merchants, with the approbation of the Board of Commissioners, so that there might be always a sufficient number of Agents for conducting the Private Trade abroad;—but the being factors was not to exempt any person, from being amenable to the general authorities of the Governments in India; and all Agents were restricted from going beyond ten miles from a principal Settlement, without special leave.

As a farther relief to Private Traders, the duty of five per cent., granted by an Act, the 9th of King William, on goods imported in Private Trade, was, in respect to the India trade, repealed, and the Company's usual charge of two per cent. discontinued; and in lieu thereof, and in satisfaction of the expences of unshipping, hoyage, cartage, warehouse-room, sorting, lotting, and selling private goods, the Company were to have £3 per cent. on the gross amount of the sales of Private Trade. The repeal, or the allowance thus substituted, was, however, not to extend to special engagements made between the Company, and any of their officers, touching their privileges.

For

For the encouragement of the Manufacturers, who might import any articles of raw materials, proper regulations were to be framed and established, for bringing them to as early a sale as possible; and for preventing any undue preference, in the sales of the same commodity, among any of the importers, whether the goods should belong to the Company, or to individuals, the sales were to be public, by inch of candle, and the whole consignment bought in by the Private Importer, was to be delivered to him, on payment only of the duties, and other charges thereon. All other goods imported in Private Trade, were to be sold, and treated as heretofore, according to the Bye-Laws of the Company;—and all such goods were to pay to Government the same customs, as goods imported by the Company, on their own account.

As the allowance of three per cent., and the rates of freight, would be insufficient to indemnify the Company, for their actual charges upon Private Trade, they were exempted from actions for losses, embezzlements, &c. which a common carrier might, in ordinary cases, be liable by law, to make good to the owner; but the Act provided, that the Company's officers, and all persons, through whose means, or negligence, any loss should happen, should be liable to make it good; and gave a further remedy to the owner, in certain cases, to recover satisfaction, by enabling him to prosecute, under the written engagements, or securities, taken by the Company, for the safe-keeping of their own merchandize.

2 O 2 All

PART II.

All the laws, prohibiting the import of goods from any other place than that of their growth, and for continuing all prohibitory laws, in respect to the consumption or wearing of foreign manufactures, were continued.

All the old laws, for preventing Clandestine Trade with India, and from lending to, or assisting, or being concerned with foreign Companies, or foreign Traders, were wholly repealed, and the following provisions were substituted in their place, specifying that the penalties were made to extend only to such of His Majesty's subjects as belonged to Great-Britain, Guernsey, Jersey, Alderney, Sark, Man, Faro Isles, or to any of His Majesty's Colonies, Islands, or Plantations in America, or the West-Indies; and that all vessels and goods forfeited, might be seized by any of the Company's officers, in India, or China.

Persons going, unlawfully, to India, and trafficking there, were to forfeit ships, vessels, goods, and merchandize, and double the value thereof; one-fourth to the informers, and three-fourths to the Company, they paying the costs of prosecution.

Persons going, unlawfully, to India, were to be deemed unlawful traders, and subject to the foregoing penalties and forfeitures, and might also be prosecuted for a crime and misdemeanor, and be liable to fine and imprisonment, one moiety of the fine to go to the King, the other to the Company, if they prosecuted, or else to any other informer.

Persons

Persons resorting, unlawfully, to India, might be seized and sent home for trial, and, on their arrival, were to give bail, or be committed to prison.

Persons dismissed the service, or whose licences should have expired, were to be held as Illicit Traders, if they continued in India, and subjected to penalties and forfeitures of goods, &c., as such.

Goods shipped clandestinely, or such as were prohibited by the Act, and goods unshipped at sea, were to be seized and forfeited, with double the value, and the master, or other officer, knowingly permitting or suffering the same, was to forfeit all his wages to the Company, to be deducted out of the monies payable to the owners, and be disabled from again acting in their service.

Any person, being a subject of His Majesty, who should solicit for, or accept a foreign commission, to sail to, and trade in India, was to forfeit £500, half to the Company, and half to the prosecutor; or the whole to the Company, if they prosecuted.

All Governors and Counsellors were prohibited from trading, except for the Company, and all Collectors, Supervisors, and others, employed in the collection of the Revenues of Bengal, Bahar, and Orissa, or their Agents, or any person in trust for them, were prohibited from inland trade, except for the Company. The Judges of the Supreme Court of Judicature in Bengal, were absolutely prohibited from traffic; and no person, without the permission of the Company, was to trade in salt, beetle-nut,

tobacco,

tobacco, or rice, on pain of forfeiture of the goods, and treble the value, one moiety to the Company, and the other to the prosecutor.

No person was to send goods the produce or manufactures of the East-Indies, from India, to the Continent of Europe, by any other channel than allowed by this Act, on pain of forfeiture of double the value; but this restriction was not to extend to persons acting as Agents, on the account, *bonâ fide*, of any foreign Company, or foreign Merchant.

The days and hours fixed by former Acts of Parliament, for purchasers of teas to make their deposits, having been found inconvenient to the trade, the Act, with their consent, fixed Tuesdays and Saturdays, at the hour of three, for making their deposits in future.(1)

The Indian Annuity Act an appendage to that on Government and Trade.

The Act respecting the Indian Annuities was considered as an appendage to the Act, for continuing the exclusive privileges of the East-India Company. The preamble to the Indian Annuity Act recited the substance of the Act of the 26th of the King, " for enabling the East-India Company to raise money " by a sale of Annuities, and by increasing their capital stock;" and the Act provided, that the stock, called East-India Annuities, created by the Act 23d George II, cap. 22, should be transferred, with the consent of the Lords of the Treasury, from the management of the East-India Company, to the management of the Governor and Company of the Bank of England,

(1) Act 33d George III, cap. 52.

land, and consolidated with the Three per Cent. Reduced Annuities. The East-India Company were also empowered to add another million to their capital stock, by subscription, making it, at this period, amount to six millions.(1)

(1) Act 33d George III, cap. 47.

APPENDIX.

No. I.

RESOLUTIONS of the Merchants, Tradesmen, and Inhabitants of the Town of LIVERPOOL, on the Subject of the Trade of the East-India Company. No. I. Liverpool.

Liverpool, 23d November 1792.

At a Public Meeting of the Merchants, Tradesmen, and other Inhabitants of the Town of LIVERPOOL, called by the Worshipful Mayor, for the purpose of taking into consideration, the measures to be adopted, in order to obtain a participation of the Trade, in the Countries beyond the Cape of Good Hope:

The Worshipful the MAYOR in the Chair;

Resolved Unanimously.

1. That the Creator of the Universe, by endowing different portions of the earth with different products, has laid the foundation of commerce, which having for its object the supply of mutual wants, may be safely left to the regulations, which mutual interest points out, and should, as far as possible, be free from every restraint.

2. That monopolies are destructive of these principles, because they provide for the interest of the monopolist only, and enable him to

No. I. Liverpool.

fix, at his own pleasure, both the rate at which he buys from one country, and sells to another, and the charge at which he carries the commodities of each.

3. That the history of the East-India Company affords most striking proofs of the consequence of trusting such powers to the discretion of individuals; and the injuries, which their monopoly of the trade between Britain and India has produced to both countries, are of the most serious nature.

4. That the principle, to which many of these are to be traced, is the temptation which the possession of this monopoly has offered to the East-India Company, to exchange the character of merchants, to that of warriors and politicians, by which they have assumed the sovereignty of twenty millions of men, with whom traffic was their first, and ought to have been their only object.

5. That to support a dominion by force, which could not otherwise be supported, they have been led to maintain vast and expensive civil and military establishments, the whole charge of which must be defrayed by the people of India, or Great-Britain, and seems a heavy and cruel, as well as a useless burthen, on the connection between the two countries.

6. That peace is the natural, and ought to be the inseparable attendant of commerce: that the possession of continental territories is valuable only, as it is productive of commercial intercourse; and that it is probable the opening of the East-India Trade will render less frequent those desolating wars, which have so often deluged the soil of that unhappy country with the blood of its inhabitants, whilst they have been equally fatal to this country, by the sacrifice of thousands of British subjects, and the expenditure of millions of British treasure.

7. That

No. I.
Liverpool.

7. That the East-India monopoly prevents the free export of our manufactures to one of the largest and richest regions of the world, where there is reason to believe they might, in the course of open trade, be increased in their vent, twenty-fold and upwards: that, under the present system, the exports are conducted without a proper attention to the change of circumstances and seasons; and due means are not employed, for opening new sources of traffic on the Eastern Coast of Africa, the Island of Madagascar, the countries that lie up the Streights of Babelmandel, and on the Shores of the Persian Gulph; with many of the vast profusion of Islands that are scattered throughout the Indian Ocean, all within the limits of the Company's monopoly, and yielding them little or no advantage, but which the unfettered enterprize and skill of individuals might soon explore, and render of the utmost importance.

8. That this monopoly choaks many of the infant manufactures of Britain, as they arise, from the power it gives of lowering, at pleasure, the rival manufactures of India, in the home market; the loss sustained being laid on such articles, as are the produce of the soil of India, which habit has rendered necessary among us, and which are not to be obtained elsewhere; a power that, more than once, has destroyed the manufacture of British porcelain, and that was employed to oppose and bear down the manufacture of cotton, now risen to such national importance.

9. That the injuries to commerce and navigation have been proportional, as may be clearly inferred. The practice, indeed, of employing large vessels, on overcharged freights, is an open sacrifice of the interest of the Company itself, to the selfish views of individuals, and is an undeniable proof of the entire departure from the principles of fair traffic, into which this monopoly has diverged: that all the branches of those most important manufactures, employed in the build-

 ing

No. I. Liverpool.

ing and equipment of shipping, are especially injured under the present system, which, also, obstructs the training of mariners, on which our national safety and prosperity so particularly depend.

10. That the progress of time and experience has now effectually removed the grounds on which the exclusive trade to India was originally supported, *viz.* the danger and expence of so distant a traffic; the free trade and manufactures of Great Britain have produced such an influx of wealth, and accumulation of capital, that there is no adventure too heavy for private merchants, or Companies of merchants, to undertake: the genius, industry, and talents of our people are such, that there is no part of the world, to which they cannot make a free trade profitable, and that, nearly in proportion to its riches and population: and such are the skill and enterprise of our navigators, that there is no shore so dangerous, no region so remote, as to daunt their spirit, or prevent their approach.

11. That these facts are capable of collateral proof, from the success with which the merchants of Portugal carried on a trade to India, without any exclusive Charter, for a century and upwards; and still more, from the success of the merchants of North America, who now traverse every part of the Indian and Pacific Oceans, with vessels of no larger a size than those usually employed on the Atlantic, and who, with capitals comparatively insignificant, are opening most advantageous channels of traffic, from which the British merchant, with prior claims, superior skill, and irresistible capital, is by false policy excluded.

12. That as it is the nature of trade to force its way through less direct channels, when its natural course is obstructed, the products of Britain now begin to be sent to the East-Indies, in American bottoms; and

No. I. Liverpool.

and those of China, and the East-Indies, to be smuggled into Britain and her colonies, through America and Ostend, to the injury of the British trader and manufacturer, as well as of the British consumer, all of whose interests are thus palpably sacrificed.

13. That these facts, while they point out the impolicy of the present system of East-India monopoly, demonstrate, also, the impossibility of its being continued, without measures of rigor which the occasion will not justify, and more and more violence against the true principles of commerce, now so well understood, and operating with such great and rapid influence on the national prosperity.

14. That clear as we are in all these views, we are yet aware, that difficulties may attend the overthrow of a false system, that has continued so long, and connected itself so widely; and we should condemn all attempts for this purpose, that would sacrifice the interests of those immediately concerned, in expiation of the mistaken policy of the nation: but we wish the Public, at large, to see the evil of this monopoly in its full extent, and the collected wisdom of the Legislature to be employed in removing it, by methods consistent with true policy, and the principles of justice.

15. That a petition be therefore presented to Parliament, praying, that the whole of this important subject may be taken into consideration, and that we may be permitted to be heard by counsel, and, if need be, to adduce evidence, in support of our allegations, against the renewal of an exclusive Charter, by which our interests, in common with the whole commercial, manufacturing, and, by consequence, landed interests of the kingdom, are so manifestly injured.

16. That a Committee be now appointed, to prepare such petition, for the consideration of a Public Meeting, to be hereafter called.

17. That

No. I. Liverpool.

17. That the said Committee be requested to correspond with such other towns and places as they may think proper, in order to obtain their co-operation with us, on this important business.

18. That these resolutions be published in such of the London and Country Newspapers, as the said Committee may direct.

19. That the following gentlemen be appointed a Committee, and that any three of them assembled, on due notice, be competent to act, *viz.*

The Worshipful the Mayor,

Nicholas Ashton, Esq.	William Earle, *Merchant,*
John Dawson, Esq.	Edward Rogers, do.
William Smyth, *Merchant,*	William Rathbone, do.
Jonas Bold, *Banker.*	Francis Trench, do.
Thomas Earle, Esq.	Thomas Hodgson, do.
Willis Earle, *Merchant,*	Thomas Hodgson, jun. do.

20. That a subscription be now opened, for defraying the expences that may be incurred in the prosecution of this business, and that Messrs. Charles Caldwell and Co. Bankers in Liverpool, be appointed Treasurers.

21. That the thanks of this Meeting be given to the Mayor, for the attention which he has shewn to this important business.

CLAYTON TARLETON,
Chairman.

These resolutions were accompanied with the following circular letter:

SIR, *Liverpool, 27th November,* 1792.

I am directed by the Committee appointed for the purpose of carrying into effect the annexed resolutions of a public meeting, held here the 23d instant, to request you will have the goodness to commu-

nicate

No. I. Liverpool.

nicate them to such persons in your neighbourhood, as may be interested in the success of the proposed measure; and if they should concur with us, in the propriety of the intended application to Parliament, it will give us pleasure to co-operate with them.

We trust that these resolutions will be seen in their true light, as originating in no views that are not strictly constitutional; as influenced by no motives of party, whatever; as breathing no spirit, in any respect, at variance with the rights of property, either public or private, but as intended to express, and to justify, a general wish of opening to us the trade to the East-Indies, and the countries beyond the Cape of Good Hope, and as submitting it to Parliament to legislate, for the interests of the nation, and those of a particular part of it, in such manner as it may deem, in its wisdom, best calculated to promote the ends of a liberal policy, and secure the principles of general justice.

I have the honor to be,

Sir,

Your most obedient servant,

JONAS BOLD,

Chairman of the Committee.

No. II.

No. II.
Glasgow.

RESOLUTIONS of the Directors of the Chamber of Commerce and Manufactures at GLASGOW, on the Subject of the Trade of the East-India Company.

Glasgow, 25th December 1792.

At a Meeting of the Directors of the Chamber of Commerce and Manufactures, established by Royal Charter, in the city of GLASGOW;
HENRY RIDDELL, Esq. in the Chair:

Having taken into consideration the propriety of an application to Parliament, for laying open the trade to the Countries beyond the Cape of Good Hope, upon the expiration of the present East-India Company's Charter, they came to the following resolutions:

1. That, confiding in the wisdom of the Legislature, to determine the particular mode, by which the countries in Indostan, now under the dominion of Great-Britain, shall be possessed, after the expiration of the present Charter, we can entertain no doubt, that the East-India Company will be liberally indemnified by Government, in some shape or other, for any sacrifices of actual rights which they may then make.

2. That whether the East-India Company shall then retain the territorial revenues of those Countries in Indostan, as at present, or not, this can be no good reason for granting them an exclusive right of trading, either to these Countries, or to all the other extensive and populous kingdoms, beyond the Cape of Good Hope, and Streights of Magellan.

3. That

No. II.

Glasgow.

3. That whatever good reasons may have existed, for granting this monopoly to the East-India Company, at a former period, we apprehend, that no such reasons exist now; because the enterprize and capitals of individuals, as well as of private companies of merchants, in Great-Britain, are, at this time, sufficient for carrying on trade and commerce to these distant regions; and it is the situation of this country now, not what it was formerly, that, we humbly hope, will regulate the decision of a British Legislature, in the event of any application, by the East-India Company, for a renewal of their Charter.

4. That if so large a capital as the East-India Company possesses be absolutely necessary for carrying on a lucrative trade to these distant countries, there will be nothing to prevent their enjoying the advantage thereof, hereafter, without any renewal of an exclusive Charter; but, if not, there can be little doubt that the industry and economy of individuals will draw from thence a multitude of raw materials, necessary for the manufactures of this country, as well as other articles of commerce, upon better terms than they are now supplied, either by the East-India Company, or by the French, Spanish, Dutch, or Portuguese nations. And it may be presumed, that the same industry will push a much greater proportion of British manufactures into these regions, than are now exported thither.

5. That an extension of the commerce, when placed under liberal regulations, by the united wisdom of the Legislature, will not only increase the marine of Great-Britain, but also the revenues to Government; and every argument, therefore, both in point of freedom, and of sound policy, is in favor of an open trade to the countries beyond the Cape of Good Hope, and of course, against a renewal of any Charter to

No. II. Glasgow. the East-India Company, or a grant to any other Company whatever, to the exclusion of other British subjects from this commerce.

6. That, for these reasons, the Directors of this Chamber ought to unite with other legal societies of this kingdom, in petitioning Parliament, if need be, for liberty to be heard by their counsel, against the renewal of any exclusive Charter.

(Signed) HENRY RIDDELL,
Chairman.

Glasgow, 25th December 1792.

The propositions, explaining these resolutions, were as follow, and were transmitted, by the Chairman, to the President of the Board of Commissioners.

1. That the term of the Charter shall be considerably short of twenty years.

2. That the East-India Company shall not import, for home sale, any piece goods, excepting plain muslins, exceeding ten shillings per square yard; and muslins, ornamented by the loom or needle, exceeding twenty shillings per square yard.

3. That the duties upon piece goods, imported by the East-India Company, shall remain as at present; but, upon exportation, only eight per cent. shall be drawn back.

4. That British merchants shall have a right to export manufactures, and import raw materials (which shall be defined), in vessels of their own, to and from any part of the world, which may be included in the exclusive trade of the East-India Company, by their new Charter; but when such merchants shall resort to the territories of the East-India Company, then they shall be liable to the duties payable by foreign nations. That this trade shall be confined to the port of London; and the

the ships employed in it, shall load and discharge their cargoes at no other wharfs than those of the East-India Company.

No: II. Glasgow.

5. That stipulations shall be made in the Charter, to prevent, as much as possible, the exportation and use of cotton machinery in India, which has been invented and used in this country.

6. That the line of exclusive trade shall be drawn considerably to the Eastward and Northward of the Cape of Good Hope.

19*th March* 1793.

These are the outlines (in the words of Mr. Dunlop, the President of the Meeting) of the Manufacturers' propositions; but if they are not listened to, it is necessary to state, that they seem disposed to combat the renewal of the Charter, in so far as it relates to the commerce; although, I must again repeat, they will consider it as extremely unfortunate, to be obliged to oppose measures, which may have the sanction of Government, at a time when the support of every good subject is so eminently necessary.

I am authorised to say, further, that if these propositions be not thought admissible at present, the Manufacturers are willing, that the present Charter should be renewed, during the continuance of the war with France, and for two years after a peace shall be concluded, provided the East-India Company shall accede to the second, fifth, and sixth propositions, at the same time satisfying Government with regard to revenue.

I hope you will admit the propriety of the first proposition: for when commerce and manufactures are extending and improving, a term of twenty years, for the duration of an exclusive Charter, embracing trade and territory (the expediency of which, either in theory or practice, is at least doubtful) seems by far too long a period.

No. II.

Glasgow.

Upon the second proposition it is unnecessary to enlarge, as so much was said upon that subject on a former occasion, and as the East-India Company, if I may be allowed to judge by the tenor of the report of the Select Committee, dated the first of last month, are not unwilling to make that concession.

The third proposition would add to the public revenue, and would serve to protect the home manufactures, at foreign markets.

The fourth proposition the Manufacturers bring forward, owing to the urgent necessity for raw materials, and under the full conviction, that the plan proposed, of individuals or private companies exporting and importing merchandize in the Company's ships, would be entirely nugatory; for a trade so shackled, by means of ships, factors, ware-houses, &c. at home and abroad, belonging to a Company, whose interests may not, perhaps, always be in consonance with those of private adventurers, would be a source of eternal heart-burning and complaint, sometimes proceeding from real causes, and sometimes from unfounded jealousy, or inevitable disappointment.

To the fifth proposition, the Manufacturers think they have a strong claim. By their labour, ingenuity, and money, the art of preparing and spinning cotton-wool has been introduced, and brought to a high degree of perfection; it seems, therefore, but reasonable, that they should endeavour to secure to themselves, and their country, the benefit of those improvements, otherwise much distress might be the consequence.

To the sixth proposition, it is hoped, there can be no objection, as the Manufacturers do not wish to extend the limits of the free trade, so far as to injure the East-India Company, but merely to give the country

at

at large, a chance of extending their trade to certain parts of the world. to which the East-India Company have not hitherto directed their attention. No. II. Glasgow.

With regard to the alternative of renewing the present Charter till two years after peace, upon the East-India Company agreeing to the second, fifth, and sixth propositions, and satisfying Government as to public revenue, I shall only remark, that the war may put this country on a new footing (I sincerely hope a much better footing) as to foreign territory, and to trade in general. The success of the Embassy to China will then be completely known; and, besides, it seems a hardship upon the manufacturers, to have arrangements pressed upon them, which they cannot approve, and which are meant to endure for so long a period, at a time when they are not only unwilling to agitate any popular question, but are anxious to give their utmost aid and support to the measures of Government.

I have written thus far, by the express desire of the Committee, and I have now to apologize to you, for having trespassed so long upon your time, in stating propositions, and discussing a subject, to which, I freely confess, my information and abilities are very inadequate.

The manufacturing interest have, in my opinion, much to expect from your openness and candour; and I trust you will see the necessity of informing them, when the business is to be before the House of Commons, that they may have an opportunity of bringing forward their propositions, in form.

I have the honor to be, with the highest respect, SIR,

Your most obedient, and most humble servant,

Glasgow, 19th March 1793. JOHN DUNLOP.

The Right Honorable Henry Dundas.

No. II.

Glasgow.

While the Bill for the renewal of the Company's Privileges was pending in Parliament, the following letters (varying in some degree from the preceding resolutions and memorial) were transmitted to the President of the Board of Commissioners for the Affairs of India.

Glasgow, 1*st May*, 1793.

SIR,

The Committee of Manufacturers met yesterday, and I am desired to inform you of the result of their deliberations. I am also desired to request, that you will, as soon as convenient, have a conference with Mr. Robert Peele, and that you will do every thing in your power to obtain for the country, the following important points:

1. A prohibition, for home sale, of all East-India fabrics, similar to those manufactured in Great Britain.

2. That the duties and drawbacks, on all piece goods, imported from India, shall remain as at present.

3. That arrangements shall be made, for the importation of raw materials from India. The first of these points is the same with the first proposition of the English Manufacturers. The second does not seem to have been attended to by them, although it is of the utmost importance. The third is meant to be the same with their second proposition: but their third proposition seems to be rather unreasonable; for why should not the East-India Company be allowed to import piece goods to any amount they please, if our home market is not interfered with, and if, upon exportation, these goods shall continue to be charged

with

with a duty of eight per cent., thereby giving a considerable revenue to Government, and protecting our manufactures at foreign markets. No. II. Glasgow.

The duty of eight per cent. upon seventeen hundred thousand pounds (the quantity of piece goods imported from India) is a great object to the British manufacture: and I have no doubt, that Government consider it as a considerable object to the revenue. Indeed our manufacturers are so much impressed with the conviction of its consequence to them, that, rather than relinquish it, they would be willing to make a concession from their first proposition, and allow the India Company to import plain piece goods, for home sale, exceeding six shillings per square yard, and ornamented piece goods, exceeding twelve shillings per square yard: but this concession ought not to be made but in the last extremity.

When I had the honor of seeing you, here, you will remember my speaking to you about Government interfering with the East-India Company, and endeavouring to postpone their future sales for home consumption. This idea the Committee approve of, very much; and if it were done, there is no doubt that it would have an instant and highly beneficial effect upon the muslin manufactures throughout.

Supposing Government were to buy the goods outright (the amount sold inland being only £300,000 to £400,000) and export them, or let them lay over for a year, the loss would be but trifling, and the good done would be in an almost infinite ratio.

Perhaps the India Company would be willing to accept a sum of money, to sell no more goods for home consumption; or perhaps they would have the generosity to make that concession, by way of douceur, upon the terms of their new Charter being settled. If they are disposed

to

No. II. — Glasgow.

to do a handsome thing to the manufacturing interest, at no time could they do it with more effect, or at so small an expence.

I have the honor to be, SIR,

Your most faithful and obedient servant,

(*Signed*) JOHN DUNLOP.

P. S. The Committee think the clause for the prevention of smuggling, which you sent to them, a very good one.

SIR, *Glasgow, 19th March, 1793.*

I am honored with your obliging letter of the 16th instant, and am desired by the gentlemen of the Committee of Manufacturers to return you their thanks for your very attentive communication. As Mr. Dunlop, Chairman of the Sub-committee, has already wrote you their sentiments (transmitted by this post), it supersedes the necessity of my troubling you with any thing, at present, on a subject, which so much occupies the attention of the manufacturers of this country. I shall only add, that the manufacturers have carefully endeavoured to prevent the renewal of the India Company's Charter from being a question of popular discussion; otherwise, no question, that I know of, would have been seized with more avidity, and supported by more numerous descriptions of people, in this part of the kingdom. They preferred (from the situation men's minds were in) trusting their cause more to the known wisdom and justice of His Majesty's Ministers, than to any great political influence.

I have the honor to be, with great respect, SIR,

Your most obedient and very humble servant,

JOHN MONTEITH.

Chairman of the Manufacturers.

The Right Honorable Henry Dundas.

No. III.

RESOLUTIONS of the Manufacturers at PAISLEY, on the Subject of the Trade of the East-India Company. No. III. Paisley.

Paisley, 14th December 1792.

At a Meeting of Manufacturers and others, having interest in the Cotton Trade, called by the Magistrates, in order to consider how they might be affected by a renewal of the East-India Company's Charter, and what steps it might be proper for them to take, in the view of that event:

WILLIAM CARLISLE, Esq. in the Chair:

It was unanimously resolved:

1. That the measures that shall be adopted by Government, respecting the East-India trade, must have a direct influence upon the Cotton manufacture in this kingdom, and demand the serious attention of every person engaged in that important branch.

2. That monopolies, in general, are injurious to the community: that permitting the monopolizing of a foreign trade, must check and repress the commercial exertions of a nation; and that, however the granting exclusive privileges in trade may be thought necessary, in certain circumstances, there can be no just plea for continuing them, when those circumstances alter, and they are unnecessary and unwise in the present advanced state of British commerce.

3. That the East-India trade, as hitherto carried on by the East-India Company, has impeded the progress of the Cotton manufacture in

No. III. Paisley.

these kingdoms, and, continued on the present system, threatens the immense property now vested in that manufacture.

4. That the permitting a free commerce with the extensive countries beyond the Cape of Good Hope, will supply the Cotton Manufacturers with the raw material, in greater plenty, and more variety, than they have, hitherto, been able to procure it; may furnish many articles of importance in other manufactures, and to which the industry and ingenuity of the British artist may give high value; may greatly increase the national exports, and give a range to the British Manufacturers, far wider than they have hitherto known.

5. That a petition, in name of the Manufacturers of this place, be presented to Parliament, praying that this subject may be taken into serious consideration, and that the petitioners may be allowed to state, by counsel, the great interest which they have in this matter, the injury which they apprehend, from continuing the present restraints on the East-India commerce, and the advantages which they, in common with the whole Manufacturers of Great-Britain, may expect, from permission being granted to British subjects to trade beyond the Cape of Good Hope, upon paying such rates and duties, as the wisdom of Parliament shall see fit.

6. That a Committee be now appointed to prepare such petition, for the consideration of a General Meeting, to be hereafter called.

7. That these resolutions be published in such Newspapers as the Committee shall direct.

8. That the following Gentlemen be the Committee:

The Chairman,	Messrs. John Orr,
Messrs. Robert Corse,	——— Robert Orr,

Messrs.

No. III.

Paisley.

Messrs. William Stuart,	Messrs. James Cowan,
——— John Cochran,	——— Robert Buchanan,
——— Andrew Brown,	——— James Knox.

9. That a subscription be opened, for defraying the expence that may be incurred in prosecuting the business.

No. IV.

No. IV. Manchester.

PROCEEDINGS of the Merchants and Manufacturers of MANCHESTER, on the Subject of the Trade of the East-India Company.

In the beginning of March 1793, a Public Meeting was called by the Boroughreeve and Constables of MANCHESTER, to consider what steps should be taken by the inhabitants, relative to the renewal of the East-India Company's Privileges, at that time in agitation.

A Committee of a considerable number of the principal Merchants and Manufacturers was appointed, to consider, digest, and bring forward such measures, as might appear best for the interest of the town.

After several meetings, without any specific resolutions being adopted, but only general observations made by most of the members on the nature of the business, it appeared to be the general sense of the Committee, that a renewal of the Company's exclusive privileges should be prohibited, if possible; but, if that renewal could not be opposed on proper grounds, to adopt such modifications in the Act, as would more easily introduce into this country the natural products of the East, and occasion the vent of many of the manufactures of this kingdom in foreign parts, beyond the Cape of Good Hope.

A Delegation was agreed upon, to attend Mr. Pitt and Mr. Dundas, and to confer with them upon this matter.

Mr. Samuel Gregg, and Mr. William Frodsham, of Manchester, and Mr. John Hilton, of London, were the Delegates appointed.

On

No. IV. Manchester.

On the 16th March 1793, these Gentlemen waited upon Mr. Pitt and Mr. Dundas; and on requesting, in behalf of their constituents, a free trade to India, were informed, that no private ships would be admitted to trade to India, but that a private trade, by the Company's ships, would be granted to individuals, under such restrictions as shall be thought compatible with the privileges, which they were about to renew with the East-India Company.

On specific propositions being desired, by Mr. Pitt and Mr. Dundas, to be made by the Delegates, after a free trade was objected to, the Delegates proposed, in writing:

1. That the freight, outwards, should not exceed £4 per ton, and, homeward, £12 per ton.

2. That the manufacturers of this kingdom should be exempted from all import and export duties to India.

3. That all goods of private trade, particularly those for home consumption, should be delivered up to the owners on demand, soon after being landed, the freight and duties being first paid.

4. That the China market should be open for the import of every species of British manufacture, from the other ports in India, in case it should not be permitted to trade direct thither.

Sundry objections were made by Mr. Pitt and Mr. Dundas to each of the propositions; and, after successive meetings, and some correspondence between them and the Delegates, nothing decisive was determined upon, before the Delegates returned to Manchester.

A Delegation was sent from the British Callico and Muslin Manufacturers to Mr. Pitt and Mr. Dundas, about the same time that the application was made from the town of Manchester; but the persons delegated, and the objects of the delegation, differed, in some respect, from

No. IV. Manchester. from each other. Mr. Thackeray and Mr. Simpson attended from Manchester, on the part of the British Callico and Muslin Manufacturers, who requested that a restraint, or prohibition, might take place, respecting the introduction of India manufactures into England for home consumption, and that the East-India Company might be obliged, annually, to import into England a certain quantity of the finest Dacca or Ahmood cotton-wool.

Nothing decisive was concluded on their behalf; but the exclusive trade was soon afterwards granted to the India Company.

Upon finding that these propositions were incompatible with the renewal of the Company's Privileges, the Manchester Committee forwarded the following observations:

1. "That, at any freight, we would prefer private ships; nor do we see any reason against their being allowed, as the difference of a flag cannot obviate the evil of free shipping, should any exist. We must also observe, that the Company have been offered freight at £18 per ton; that they might have it at £16 per ton; and that private ships are offered at £14 per ton; due attention being had to the size, force, and appointments, necessary insurance warranted to be done, at as low a premium as is now paid upon private adventure, in the ships of the Company. We cannot, therefore, but consider, if free ships be not permitted, any extra freight exceeding £14 per ton (at which, since our conference, it has been offered), as an oppressive tax imposed on private trade, for the sole emolument of what is called the Shipping Interest: and to wish us well, and, at the same time, to take from us the means of doing well, is not, we are convinced, your desire.

2. That the Company should be indemnified the expences of pilotage, and other such small charges, in India, is just; but to prevent disputes

No. IV.
Manchester.

disputes and future ill-humour, a certain rate had better be fixed (say one-half, or one per cent.): this will ascertain the imports and exports, whilst the smallness of the duty will take away all pretence and desire of evasion.

3. We beg leave to repeat what we before urged, that all articles of private trade be delivered up to the owners, upon arrival, after payment of freight and duties.

Unless this be permitted, the sinew of private adventure is cut. It is so contrary to every system of private trade and economy, to that control which every man should have over his property, and to the exercise of that judgment, which is to regulate, and to ensure success to every speculation, that, in a few years, when the profits on imports become regulated, the liberty now proposed to be granted to individuals will not avail them any thing.

We ought, likewise, to represent the disadvantage which the general trade of the kingdom will labour under, by obliging every thing going to, and coming from India, to pass through the medium of London.

4. We must express our great regret, that a direct trade to China cannot, at present, be permitted; but are willing to hope, that the Company will not, in this trade, totally disregard the interests of the Cotton Manufacturer, but be induced to send, for sample, both there and to Persia, a few cotton velvets or velverets, of colours suitable to the respective countries. The value to each need not exceed the amount of from £100 to £200.[1]

These propositions the Manchester Committee endeavoured to strengthen, in so far as related to freight, by the following letter from the

(1) Observations on the Answers to the Propositions given in by Messrs. Gregg and Frodsham, Delegates from Manchester.

No. IV. — Manchester.

the Committee of Liverpool, to whom they had referred upon that subject:

Liverpool, 8th March, 1793.

GENTLEMEN,

Your letter, addressed to the Mayor, was, by him, laid before the Committee appointed at a general Meeting, held on the 23d November last, for the purpose of considering on the measures proper to be adopted, in order to obtain a participation of the trade to the countries beyond the Cape of Good Hope; and I am requested to acquaint you, that, from the best information the Committee is enabled to obtain on the subject, the Merchants of Liverpool would undertake, in time of peace, to provide shipping, well fitted out and properly armed, for the purpose of carrying on the trade in question, at the rate of £14 per ton, out and home: they would engage, that the ships should be such, as that insurance might be effected on them, at the same premium as hath been actually paid on the vessels in the service of the East-India Company; and the Committee think the Merchants are well warranted in this opinion, from knowing that very considerable sums have been insured on the ships sent to the East-Indies, from America, and from Ostend, at a premium not exceeding that paid on the ships employed by the East-India Company; and the merchants deem the rate of insurance the criterion, whereby to judge of the equipment of a ship for such a voyage.

This Committee will be extremely happy to receive the resolutions mentioned in your letter, as soon as they are printed, and to correspond with any Committee that may be formed in Manchester, on this business, which is of the highest importance to the commercial interests of Great Britain.

By

By to-morrow's post, I shall have the honor to transmit a copy of this letter to your Delegates in London, with any further information that may be given to the Committee, at its meeting to-morrow. No. IV. Manchester.

I am, with much respect,

Gentlemen,

Your most obedient and humble servant,

THOMAS EARLE,

in the Absence of the Chairman.

To James Ackers, Esq. Boroughreeve of Manchester.

John Leaf, Esq.
Joseph Hardman, Esq. } Constables.

The following clause was sent from the Manchester Committee to the Commissioners for the Affairs of India, to be inserted in the Act for renewing the Company's exclusive Privileges :

"And be it further enacted, by the authority aforesaid, that, from "and after the passing of this Act, every piece of plain, checquered, or "striped muslin goods, or goods made and manufactured with a figure "in the loom, shall have, at each end of the piece, three blue stripes, "the whole width of the piece, each stripe to be made with four blue "threads at the least, and to be separated with a like number of undyed "cotton weft, or shoot; and that if, after the passing of this Act, any "piece of muslin goods, other than such as shall have at both, or one "of the ends thereof, at least, three such stripes of blue threads, the "whole width of the piece, each stripe consisting of four threads in

No. IV.

Manchester.

" number, and separated by a like number of threads of undyed cotton " weft, or shoot, shall be found in the possession of any manufacturer, " draper, dealer, shopkeeper, or other person, who shall make, or expose " such goods to, or for sale, the same goods shall, in every such case, be " forfeited, and may be taken and seized by any person or persons; and " the person or persons, in whose possession such goods shall be found " and taken, shall pay, besides the loss of such goods, the penalty of " twenty pounds, for every piece of goods so found and taken, not " marked in the manner aforesaid, which said fine, penalty, and for- " feiture shall be sued for, recovered, levied, or mitigated, by such " ways, means, or methods, as any fine, penalty, or forfeiture, may be " sued for, recovered, levied, or mitigated, by any law or laws of Excise " (so as the same be not mitigated to less than one-half of any such " fine, penalty, or forfeiture, and the whole of the costs of proceeding " to recover the same) or by action of debt, bill, plaint, or information, " in any of His Majesty's Courts of Record at Westminster, or in the " Court of Exchequer in Scotland, respectively; and that one moiety of " every such fine, penalty, or forfeiture, shall be to His Majesty, his " Heirs, and Successors, and the other moiety to him, or them, who " shall inform, discover, or sue for the same.

" Provided always, that nothing herein-before contained shall " extend, or be construed to extend, to any British muslin goods, " which shall have been manufactured previous to the passing of this " Act, or to any foreign muslin goods, which shall have been sold by " the East-India Company, to any person or persons, previous to the " passing of this Act, provided the owners or proprietors of such goods " shall, within the space of one year after the passing of this act, give " notice to some officer of His Majesty's Excise, of all such goods as " shall

No. IV.

Manchester.

" shall be in his, her, or their possession, and have the same marked " by such officer, with a proper stamp or mark, so that the same " may always, thereafter, be known and distinguished from muslin " goods, which shall be made or imported at any time after the passing " of this Act; and every officer of Excise is hereby required, within " forty-eight hours after any such application, to affix such stamp, on " pain of forfeiture of five pounds for every default, to be recovered " as aforesaid."

No. V.

No. V. Exeter.

PROCEEDINGS of the Merchants of EXETER, on the Subject of the Trade of the East-India Company.

Exeter, January 16th, 1793.

At a General Meeting of the Merchants of EXETER, held this day at Bennett's Tavern, in the Serge Market, for the purpose of taking into consideration the means to be adopted for resisting a renewal of the exclusive Charter of the East-India Company:

HENRY WAYMOUTH, Esq. in the Chair:

It was resolved unanimously:

1. That monopolies are inconsistent with the true principles of commerce, because they restrain, at once, the spirit of enterprize, and the freedom of competition; and are injurious to the country where they obtain, because the monopolist, by fixing the rate, both of purchase and sale, can oppress the public at discretion.

2. That the mercantile concerns of privileged bodies, necessarily conducted by agents, who, far from being solicitous for their success, may have interests of opposite tendency, must often languish, where the economy and adroitness of individuals would render them prosperous, whilst sources of wealth remain unexplored, which the enterprizing spirit of private adventurers would instantly disclose.

3. That the abusive management of the English East-India Company has, among other instances, been particularly evinced to the Merchants of Exeter, in the system pursued for their supply of Devonshire woollens.

woollens. This supply, however, procured through the medium of factors resident in London, where the woollens are dyed and prepared, is attended with such enormous abuses, that a proposal has been lately made to the Directors, and communicated to the Lords of Trade,(1) for saving the Company £40,000 a year in the single article of Long Ells, by furnishing it, in a finished state, from the country of manufacture, where the cheapness of labour, local circumstances, and a variety of causes, facilitate the preparation of woollens: whilst the situation of London presents obstacles, and occasions expences, altogether unknown in

No. V.

Exeter.

(1) This letter is dated Exeter, January 26th 1793; and is as follows:

Sir,

We had the honor to address the Lords of the Committee of Privy Council for Trade, a copy of our resolutions of the 16th instant, on the subject of the East-India Charter, of which a duplicate is annexed.

The zeal for promoting our commercial interests, is testified by their Lordships, in the letters with which they honored us, on the occasion of Lord Macartney's Embassy, encourages us to presume on a continuance of the same sentiments in our favor.

The grievances we, at that time, stated to arise from the system hitherto pursued, in the exports of woollens to China, are now become so alarming, as to make us apprehend the annihilation of our European trade, and the urgency of the case impels us to solicit the Legislature for relief.

Should the subject attract their Lordship's notice, so as to encourage us to a more circumstantial detail of our case, their patronage, we conceive, would support our claims, and a communication of their pleasure, as to the mode of submitting our representations, will be carefully observed.

We have the honor, &c.

SAMUEL BANFILL,

JOHN COLE,

SAMUEL TREMLETT.

No. V. Exeter.

in Devonshire. The offer, however, was declined, for reasons obvious to all, who are apprized of the chain which connects the parts of privileged establishments.

4. That the increasing demand of Long Ells for China, which has augmented, in a few years, from £60,000 to £400,000 annually, is among the causes of the rise of wool; a circumstance which gives us serious alarm. Our usual markets of sale, in every part of Europe, and particularly Germany and Spain, are enabled, by this rise of the raw material here, to be supplied at home, or from other quarters, more advantageously than from us. Those markets must gradually close, whilst our trade passes to another quarter of the globe, through the channel of a monopoly.

5. That a free exportation to the East, especially to China and the surrounding islands, would not only substitute markets for those we are losing in Europe, but disclose to the industry of England, and to the woollen manufactory, in particular, inexhaustible sources of employment: an event, not less interesting to the landholder, than to the merchant, from the additional value it would give to wool, already become of unusual importance to the grower.

6. That the reasons which may have, at first, justified the establishment of an exclusive Company, have long since ceased to operate; the intelligence and capitals of British Merchants no longer requiring exclusive Privileges, to give them energy. If some branches of the Eastern trade demand resources, beyond the scope of individuals, Associations of Merchants, requiring no privilege but freedom of action, will be formed to conduct them; a subdivision of employment will ensue, which will facilitate to each class the attainment of its particular object, and procure to the public the greatest possible benefits.

7. That

7. That the difficulties which may occur in the establishment of a free trade to the Peninsula of India, where the revenues of territory are implicated with the profits of trade, and political intrigues with mercantile operations, have no existence with respect to China, the principal mart for woollens, where the access of Europeans is restrained to a single port. No. V. Exeter.

8. That, aware of the various interests involved in the complication of India concerns, we disclaim the attempt of rash innovation, where gradual reform may be, alone, compatible with the strict observance of justice, to the numerous departments of the existing system, or with security to the revenue and tranquillity of this country.

9. That a petition be presented to Parliament, praying that this important subject may be impartially investigated, and such arrangements made, as shall appear beneficial to the commercial, manufacturing, and, in consequence, the landed interests of this country.

10. That a Committee be appointed to prepare such petition, to correspond with the other trading towns of Great-Britain, interested in the measure, and to confer with the members for the county of Devon, the city of Exeter, and such other gentlemen in Parliament as they may think proper, for the purpose of obtaining their assistance and support.

11. That a subscription be opened, for defraying the expences that may be incurred in the prosecution of this business, and that Mr. John Mitford be appointed Treasurer.

12. That the Committee do consist of the following Gentlemen:

The Chairman,

Mr. Samuel Banfill, Mr. Abraham Kennaway,
Mr. John Cole, Mr. John Mitford,

Mr. Richard

No. V.
Exeter.

Mr. Richard Collins, Mr. Samuel Tremlett,
Mr. J. J. Hirtzell, Mr. George Waymouth,

and that any three may act, on giving due notice.

13. That Mr. Samuel Coggan be appointed Secretary, to whom it is requested all letters on the subject be addressed.

14. That the thanks of this Meeting be given to the Chairman.

HENRY WAYMOUTH,
Chairman.

Though these resolutions were formed on the 16th January 1793, no steps seem to have been taken by the proposers of them, till the month of March. At this time, it was supposed, the question respecting the Government and trade of India would come under the consideration of Parliament; the following Memorial, therefore, was addressed to the President of the Board of Commissioners for the Affairs of India.

Exeter, 9th March 1793.

A renewal of the India Charter appearing to be in contemplation, and the principle of introducing regulations, which may effectually protect and encourage the manufacturing and commercial interests of this country, pervading every part of your printed communications with the Company; on this subject, we, the Merchants of Exeter, are encouraged to solicit your attention to the state of our commerce, deeply involved in the consideration, and which, far from being benefited by the connections beyond the Cape of Good Hope, feels material injury from the exports to China, and, we apprehend, will ultimately be ruined, if the present system of supply continues to prevail.

Among

No. V. Exeter.

Among the exports of this city, the article of Long Ells is, by far, the most important :—the labour arising from the various processes of preparing this article, which is consumed, under different denominations, throughout Europe, forms the industry and support of this place. You are well aware, Sir, that the Company's annual exports of the same article have increased within a few years, from £60,000, to near £400,000, and the reports of the Committee of Directors afford reason to believe a progressive increase of demand will, in a few years, nearly double that supply.

An excessive advance of price has necessarily attended this unusual demand for Long Ells, which bears a nearer proportion to the sum of our European exports of the article :—this advance, which operates as a bounty on the rising manufactories of neighbouring states, has affected our trade, and creates serious alarm :—the European trade is diminishing, whilst that with China augments :—this exchange of one market for another would not become a subject for complaint, were both equally accessible; but, in the present instance, we are losing the old markets, yet are excluded from the new :—the Long Ells for China being sent to the Company in the raw state, afford no employment to the industry of Exeter; a circumstance so much the more mortifying, as a variety of causes so favour us in the preparation of woollens, that we are enabled to save the Company ten per cent. on the first cost of any part of their Long Ells, the purchases and proportions of which may be entrusted to our care.

The grievances we already feel, and the still greater we apprehend, from the present system of the China trade, impel us to seek redress, and we have deputed Mr. Samuel Banfill, Mr. John Cole, and Mr. John Mitford, Merchants of this place, to submit our case to your considera-

 tion,

No. V. Exeter.

tion, and to make such further explanations as shall be deemed necessary.

We trust that, under your patronage, a plan may be adopted for admitting us to a participation of the export trade to China, or of securing such arrangements with the Company, as may be mutually beneficial.

We have the honor to be, with profound respect,

Sir,

Your most obedient, and very humble servants,

C. WAYMOUTH, BROTHERS,
JOHN CRESWELL, and Co.
HENRY WAYMOUTH, and Co.

The Right Honorable Henry Dundas,
Secretary of State, &c.

This memorial Mr. Dundas transmitted to the Chairman, with the following letter:

Sir,

I send you a memorial, which has been laid before me by some Gentlemen, interested in the manufactures of the town of Exeter. On the first view of the case, it does certainly appear to resolve into a complaint that the East-India Company have been more liberal in their exports of Long Ells, than is consistent with the interest of the manufacturers of Exeter; but it is impossible to bring forward that grievance, or the remedy for it, as a matter of Parliamentary arrangement. If in the article

No. V. Exeter.

article of their dying manufacture, the East-India Company can give the Manufacturers of Exeter any participation upon equal terms, I should think it worthy the liberality of the Company to do so, that no branch of the British industry may appear to suffer, even from the meritorious exertions of the East-India Company.

I have the honor to be,

SIR,

Your obedient humble servant,

HENRY DUNDAS.

Whitehall, 23d March 1793.

Francis Baring, Esq.

SIR, *Tavistock, 3d April* 1793.

We, the principal Manufacturers of Long-Ells, at the town of Tavistock, in the county of Devon, understanding that the Merchants of Exeter have presented memorials, and delegated three of their body to wait on you, as Secretary of State for the Home Department, praying that the course of the Company's trade may be diverted from its usual and regular channel, under the pretence of its being done at a cheaper rate, &c. &c.: we humbly beg leave to assure you of our entire and perfect satisfaction in the present solidity, conduct, and system of the United East-India Company, their unparalleled punctuality of payments, and strict observance of contracts, having always induced us to deal on considerable lower terms, than we could possibly venture to do with private merchants.

We therefore pray, that a few interested individuals may have no weight in your consideration, as a participation of any part of this trade

 would,

No. V. — Exeter.

would, in all probability, endanger the very high repute and credit the Company peculiarly possess, in this branch of their commerce, the loss of which would be of the most serious consequences to thousands in this, and the adjoining counties, whose only support are dependant on the same.

Trusting in your well known justice and impartiality to discourage all improper speculative innovation,

We have the honor to remain, with the greatest respect,

SIR,

Your very obedient and faithful servants,

THOMAS WINDEATT,
JOHN GARLAND,
EDGECOMBE PARSON,
JOSEPH DAVY.(1)

The Right Honorable Henry Dundas.

---

(1) Similar letters were sent to the Right Honorable Henry Dundas, from the following manufacturing towns.

North Tawton, April 9th, 1793.

(Signed by) John Prideaux, George Durant, Francis Cole, Charles Sweet, William Sweet, Josias Gard.

Modbury, Devon, April 3d, 1793.

(Signed by) Philip Perring, Charles Perring, Richard Perring, John Wakeman.

Newton Abbott, April 4th, 1793.

(Signed by) Solomon Tozer, Richard Milford Tozer.

Crediton.

(Signed by) John Wilsford, Nathaniel Haydon, William Vicary, William Berry, George Shute, William Couche, John Fulford.

No. V: Exeter.

Exeter, April 13th, 1793.

Sir,

We were favored, the 8th instant, through Mr. Bastard, with two papers, on the subject of our application to you, as Delegates from this place, the one transmitted by Mr. Farmer, and others interested in the woollen business; the other by the factors, dyers, and pressers of Long Ells in London.

To the first of these papers, entitled "Observations on the Case of Exeter," we have the honor to annex a separate reply. Permit us, Sir, in this place, briefly to answer the second, which solely turns on two points:

1. That Long-Ells can alone be completely prepared in London and the vicinity, and no where cheaper.

2. That

Sandford.

(Signed by) Simon Tucker, Robert Tucker, P. Leach, Samuel Brown.

Exeter.

(Signed by) John Couche.

Ashburton, 6th April, 1793.

(Signed by)	George Winsor,	William Sunter,	Walter Soper,
	Richard Soper,	Thomas Eales,	William Fabyan,
	Moses Savery,	John Berry,	Henry Callard,
	Joseph Sunter,	John Winsor,	John Counter,
	Thomas Soper,	John Caynter, Jun.	John Tozer,
	W. Berry,	Edward Bovey, Jun.	Solomon Tozer, Jun.

Wellington, 6th April, 1793.

(Signed by) Nicholas Were, Stephen Maltravers, Thomas Fox.

Plymouth, 13th April, 1793.

(Signed by) Nicholas Hyne.

No. V. — Exeter.

2. That were this branch of industry removed from London, the capitals there embarked in it would suffer.

In reply to the first point, the assertion of the factors will, perhaps, appear extraordinary, when it is known, that the Europeans, and other purchasers of Long-Ells, who have the choice of the two markets, London and Exeter, almost exclusively apply in preference to Exeter; and that the supply of the countries beyond the Cape of Good Hope, where the consumers have not the choice, may be said to be the only one made from London. We take this opportunity of repeating, what we have ever stated as the basis of our application, that the Merchants of Exeter only wish for a participation in supplying the East India Company with Long-Ells, so far as they can furnish the article in as complete a state of finish, and at least as advantageously, in every respect, as the Company obtain it under the present system.

3. With respect to the injury that would be sustained by a removal of any part of the supply of the Company, this apprehension must appear altogether unreasonable, when it is considered, that the quantity of Long-Ells at present exported to China, is ten-fold more than was sent eight years ago; that the Company are of opinion the export will progressively increase in an equal proportion, and that Exeter only solicits a third, or even a fourth of the business, from which share that city would derive important relief, whilst a much larger would still remain to the factors, dyers, &c. of London, than till lately they ever enjoyed:—the supply of China is a recent acquisition to the trade of London:—the supply of the European markets, which is injured by that of China, is the established and staple trade of Exeter:—to conduct that European trade, large fortunes are embarked in extensive establishments, and that these establishments may not become wholly unpro-

ductive,

No. V. Exeter.

ductive, a small part of the supply of the Company, for China, is solicited, since from the supply through the present channel, the injury is great to the trade of Exeter.

We must here observe, though we have already troubled you with the remark, that the case of Exeter, from whence the usual trade declined, is already a much harder one than any that can possibly arise to London, from a compliance with our request; especially when it is considered, that in London, when one branch of trade fails, an infinity of others is at hand, whilst, in the country, the traders are limited, by their local situation, to the few objects which form the immediate commerce of their district.

We are not surprised that alarm should be expressed by the gentlemen who signed the memorial, or excited among the manufacturers in their immediate interest, at an application, the nature of which, it clearly appears, they did not exactly comprehend; but when the grounds of our request, and the narrow limits to which it is confined, are explained, we appeal to you, Sir, whether it ought to create emotions of jealousy.

The "Observations on our Case," comprising a variety of heads, we have judged it expedient to reply distinctly to each.

Aware that the multiplicity of your engagements leave you but little leisure for perusing prolix memorials, we should not have presumed to trouble you with a statement so minute, had not the "Observations" appeared to require it.

We rejoice in the opportunity they have afforded for fair investigation; conscious that, when our case is understood, no well-grounded objection can arise from any quarter, notwithstanding a partial or mistaken conception of our claim may have excited an alarm, which, we

No. V.
Exeter.

we trust, enquiry will prove unfounded, even with the party with whom it originated.

We have the honor to be, with profound respect,

SIR,

Your most obedient, and very humble servants,

SAMUEL BANFILL,
JOHN COLE.

Reply of the Merchants, Traders, &c. of Exeter, to the "Observations on their Case," by Mr. Farmer and others.

The "Observations on the Case of the Exeter Merchants" may be arranged under six heads.

1. That the exportation of Long-Ells to China has not increased the price of that article in Devonshire.

2. That if the Company's demand had produced such effect, no danger would thence arise to the European markets, since no substitute for Long-Ells can be found.

3. That a principal cause of the high price of wool, was the demand of English woollens for France.

4. That Exeter possesses no advantages in the purchase, preparation, dying, or finishing Long-Ells; a manufacture, however, confessedly peculiar to Devonshire, of which Exeter is the capital and centre. That the art of dying is yet in its infancy in Exeter, and that if the art were there, means for exercising it are not to be found.

5. That the object of the merchants of Exeter is to derive a profit from the Long-Ells bought for the Company, which does not at present obtain;

No. V. Exeter.

obtain; or, in other words, that their plan, instead of presenting advantage to the Company, is of contrary tendency.

6. That the preparation, dying, and finishing of Long Ells, is not of that importance to the city of Exeter, represented by the merchants.

To these observations it is proposed distinctly to reply in the same order.

First. To prove that the exports of Long Ells to China, have influenced the price in Devonshire, it might be sufficient to state, that those exports have increased in a few years, from a quantity scarcely deserving mention, to near three-fourths of all the European exports of that article, which is by far the principal of the Devonshire fabrics.

It is a notorious fact, that, for five years, the article has been rapidly increasing in price, or, what is the same thing, decreasing in quality. The assertion made in the remarks on our case, that, from 1785 to 1793, the advance had been only one and a half per cent., could only arise from an inattention to the circumstance, that, inferior classes of Long Ells have, of late years, been substituted for the superior, and sold at the same, or even higher prices, than the superior classes previously produced:—the Long Ells of the Company are chiefly of two sorts, *Green Forrells* and *Striped Forrells*:—the latter always bear a price, ten to fourteen per cent., higher than the former. The Company, during the period alluded to, did not, we believe, pay an advance of price, exceeding that, mentioned in the "Observations;" but every manufacturer is ready to confess, that the *Green Forrells* of the years 1784-5, were of equal goodness to the *Striped Forrells* of 1791-2, though the article did consequently advance, in fact, during the interval, twelve to fifteen per cent., and from the fall of 1792, and first month of 1793, it is confessed, on all hands, to have advanced twelve per cent. more.

No. V.
Exeter.

It is notorious to all acquainted with the woollen manufactory of Devonshire, that where the price of any particular class remained from 1785 to 1792, with the slight variation mentioned, as in some instances was the case, the quality did not impoverish in the proportion we have stated.

The advance of twelve per cent. paid by the Company on the purchases they made, early in 1793, obtained on goods manufactured in the summer and autumn of 1792, and the manufacturers paid a proportional advance on the raw material, at and before the shear time of 1792; a remark which it will be proper to recal, under the third head.

In confirmation of those facts, which, we conceive, clearly establish the position, that the demand of Long Ells for China does materially influence the price of the article in Devonshire:—we shall state another, not less conclusive:—since the present war, the woollen articles of Norwich, Halifax, and Leeds, have fallen ten to fifteen per cent:—some articles of Devonshire have fallen, though not in the same proportion. Long Ells, however, which are the principal, have rather advanced than fallen in price, the demand for China not being affected by a war in Europe.

Secondly. That admitting the advance, no injury, it is said, can arise, because the European markets can find no substitute.

To this assertion we shall oppose two facts, of very extensive operation, reserving the particular instances, which are unfortunately in the possession of every mercantile house here, for the further conference it may be necessary to have on this subject.

1. In the years 1783, 1784, and 1785, that is immediately after the Peace, a principal export to Spain, was a class of Long Ells (of the very quality and texture used by the Company), called by the manufacturers, *Piece and Quarter Sandfords;* by the Spaniards, *Sargas.* This

No. V.

Exeter.

article, during the war, had been manufactured in prodigious quantities, at the Royal Spanish Fabrics of San Fernando and Guadalaxara, and, during that period, was the principal substitute for English Long-Ells. We successfully rivalled these Spanish fabrics, at the Peace, by our *Piece and Quarter Sandfords* ; and during the years 1783, 1784, 1785, and 1786, this was a principal article of our exports. Our wool, which, from the stock accumulated during the war, was at first cheap, was now considerably enhanced, the Company's purchases were rapidly increasing, and the *Sargas* became dear, or declined in quality. The Spanish government, watching the moment, made a small addition to the duties, and from that time not a hundredth part of the *Sargas* has been manufactured in Devonshire, which were previously shipped for Spain. The present reduced exports of the article are attended with circumstances so clearly demonstrative of the fatal tendency of trifling advance, that we must be permitted to state them. Our present missions are solely made for the consumption of sea-ports, and the vicinities, where no land carriage is incurred, and where the articles of Guadalaxara are subject to land carriage, before their arrival at the place of demand. To be more particular, Exeter supplies Cadiz, Seville, and Malaga, with *Piece and Quarter Sandfords*, or *Sargas*, but the fabrics of Guadalaxara supply Madrid, and all the inland country : that is, the preference of the Exeter to the Spanish article, and the contrary, solely turns on the expence of carriage.

2. The Spanish Americas were, till lately, the principal mart for Long-Ells. That article formed a material part of the cargoes of the Flotas from Cadiz, before the war, and of the vessels that have sailed from Spain, for the colonies, in the years 1783, 1784, 1785, 1786, and 1787.

 During

No. V.

Exeter.

During the war, when the stock of Long-Ells was exhausted in the Spanish colonies, a coarse cotton fabric of Catalonia found its way to the market, and was substituted for Long-Ells. The Swiss manufacturers, seizing the moment, sent to Catalonia, (where their articles passed for Spanish manufacture), coarse linens and cottons of Switzerland, to meet the demand of the Spanish colonies. Linens and flannels, variously prepared, of Silesia, were applied to the same purpose. At the peace, Long-Ells were sent, and, in a great degree, consumed as before; but whether the cause originated in the high price of Long-Ells, or in the improved state of the Catalonia cotton, and the Swiss and Silesia articles, we observe with alarm, that the demand of Long-Ells, for Spanish America, has, in a manner, ceased since 1786 and 1787.

A few expeditions were made to Cadiz early in 1792; but we have melancholy proofs to produce, in letters from the merchants of Cadiz who demanded them, that the price being too high, cottons of Catalonia, and articles of Switzerland and Silesia, must supply their place.

Thirdly. That the cause of the late rise of wool is not to be sought for in the demand for France, we have simply to state, that the advance obtained at the shear time of 1792, when the wool-dealers and manufacturers could have no well-founded expectation of such demand, and that, so far as our experience and enquiries go, of the woollens of Devonshire, sent to, or prepared for France, the quantity has been too inconsiderable to affect, even in a slight degree, the price of wool.

Fourthly. On the fourth head, we must be permitted to be more explicit.

The Manufacturers of Devonshire, of which Long Ells are the principal branch, are prepared, dyed, and finished in Exeter, and thence exported to every part of Europe. The labour arising from the various

branches

No. V. Exeter.

branches of this commerce, constitutes the general industry and support of that city. The merchants of Exeter purchase the goods, or have them manufactured, on their own account, in the raw state, and their business consists in a critical knowledge of the articles, and a skilful management of the preparation; the various processes of which are chiefly conducted on their account, and always under their immediate inspection. The rate of labour, the supply of water, the compactness of their establishment for preparing, dying, and pressing goods, from which immense savings of carriage accrue, the vicinity to the fabrics, and a variety of other circumstances, afford to the situation of Exeter, such advantages over that of London, in the preparation of woollens, that our application rests on the ability to serve the Company, at least as well as it is now served, and cheaper. We think it unnecessary to enter into a detail of the parts of the preparations whence the savings accrue; but, we conceive, a convincing proof of our local advantages may be found in a fact, which is incontrovertible.

Exeter supplies, almost exclusively, all the countries of Europe with the manufactures of Devon, in a finished state, though the purchasers of those countries, who have the choice of the two markets, London and Exeter, have connections with London, for a variety of other concerns. We are at a loss to understand the meaning of the assertion in the "Remarks on our Case," that "if we had the art of dying, we have "not the means of exercising it," when it is a notorious fact, that we are preferred to London, for the exercise of that art, on all the fabrics of Devonshire, by nearly all the countries of the world, those only excepted beyond the Cape of Good Hope, where the exclusive privilege of the Company prevails.

Fifthly. We shall not conceal for a moment, that the object of our application is profit; but that profit, we conceive, must be derived

from

No. V.
Exeter.

from the most natural application of the truest principles of commercial policy, since it can only flow from an union of local advantages with industry and skill. Unless we benefit the Company, whilst we are serving ourselves, our pretensions cannot avail, and, consequently, the insinuation of the memorial refutes itself.

Lastly. In reply to the assertion, that the preparation of Long-Ells is not of that importance we have represented to the city of Exeter, two simple facts will be stated.

1. The preparation, dying, and pressing of woollens, form almost the sole industry of Exeter. A few goods are manufactured in the city, but the quantity is inconsiderable.

2. Of the woollens prepared in Exeter, the article of Long Ells, distinguished under the various appellations of *Ells, Long Seconds, Seconds, Broads, Rackers,* and *Sandfords,* form three-fourths, both in quantity and value. From these two facts, which are incontrovertible, it may be easily ascertained, whether the preparation of Long-Ells be, or be not, of importance to the city of Exeter.

Before we close our reply, we must be permitted to observe, that the nature of our claim does not appear to warrant, either the acrimony of the remarks, and jealousy which is manifested, or the extraordinary steps which are taken to resist it. We solicit a small share (a third or a fourth only) of a trade, which has increased in a few years, from an inconsiderable beginning, to a very large amount, and which is confessed to be still progressive. This increase of the China trade has already materially injured, and threatens, ultimately, to annihilate the European trade of Exeter; a trade long established, and of the utmost importance to this place and county. Our request is founded on the ability to serve the Company in the most complete and advantageous manner.

The small share we solicit would retain in employment some of our labourers, who must otherwise emigrate with the trade; and our expensive

No. V.

Exeter.

sive establishments, for the preparation of woollens, would continue to be, in a certain degree, at least, productive; whilst the city and vicinity of London will reap the advantages of a much larger share of the woollen trade to China, which, to that metropolis, is a recent acquisition. If the Factors of London, through the Manufacturers of Devon, in their immediate interest, and the dyers and pressers of London, can furnish the Long Ells of Devonshire to the India Company, on better terms, or in a more perfect state, than the merchants of Exeter, through their manufacturers, and their establishments for the preparation, we abandon our claim. All we solicit, and we conceive it our right, is a fair competition. If we maintain the conflict, and we know it is in our power, our claim must appear modest and equitable, as it only pretends to the half, the third, or even the fourth of a supply, which naturally belongs to the merchants, dyers, and pressers, of the district where the manufactory prevails, and would entirely concentre there, as docs the supply of all the other markets consuming the same articles, but for the particular system under which the China trade is conducted.

Committee of Merchants, Traders, &c. of Exeter, for conducting the applications, &c. on the India and China trade.

Samuel Banfill,
John Cole,
Richard Collins,
Edward Granger,
Abraham Kennaway,
John Mitford,
George Waymouth,
Jno. J. Hirtzel,
Samuel Tremlett.

Bennett's Tavern,
Exeter, April 15th 1793.

No. VI.

No. VI. — Norwich.

MEMORIAL of the Merchants and Manufacturers of NORWICH, to the Right Honorable the Lords of Privy Council for Plantations and Trade.

We, the Merchants and Manufacturers of NORWICH, respectfully beg leave to represent to your Lordships, the importance of the East-India trade to the Manufacturers of this city, especially in the material article of Camblets, which appears, from the report of the Honorable Company, to be peculiarly adapted to the taste, climate, and consumption of the populous and extensive Empire of China; but under the authority of the expiring East-India Charter, the Company have prohibited the private trade, carried on by their officers and servants, exporting any woollen and worsteds.

We, therefore, humbly entreat your Lordships' protection and interposition, that, in the formation of the new Charter, such arrangement should be adopted as, in your wisdom, shall be deemed expedient for the more effectual encouragement of the staple manufactures of this kingdom, and, in particular, the worsted articles of this city, by enlarging and facilitating the means of their exportation, through the channel of the East-India Company, and by relieving the private trade from the prohibition to which it is now subject, having, from experience, great cause to believe, that the commanders and other officers of the China ships would,

would, in their own investments, give a preference to the worsted commodities of Great-Britain. No. VI. Norwich.

JOHN HARVEY, Mayor,
Chairman.

Norwich,
13*th March* 1793.

THE END.

LONDON:

Printed by Cox, Son, and Baylis,

GREAT QUEEN STREET.

Lately published in Three Vols. Quarto, price £4. 10s., or on Royal Paper £6.

ANNALS

OF THE

HONORABLE EAST-INDIA COMPANY,

FROM THEIR

Establishment by the Charter of Queen Elizabeth,

1600,

To the Union of the London and English East-India Companies,

1707-8.

By JOHN BRUCE, Esq. M. P. and F. R. S.

Keeper of His Majesty's State Papers, and Historiographer to the Honorable East-India Company.

LONDON:

Published by Black, Parry, and Kingsbury, Leadenhall Street.